

JLBC STAFF PRESENTATIONS TO THE APPROPRIATIONS COMMITTEES

TABLE OF CONTENTS

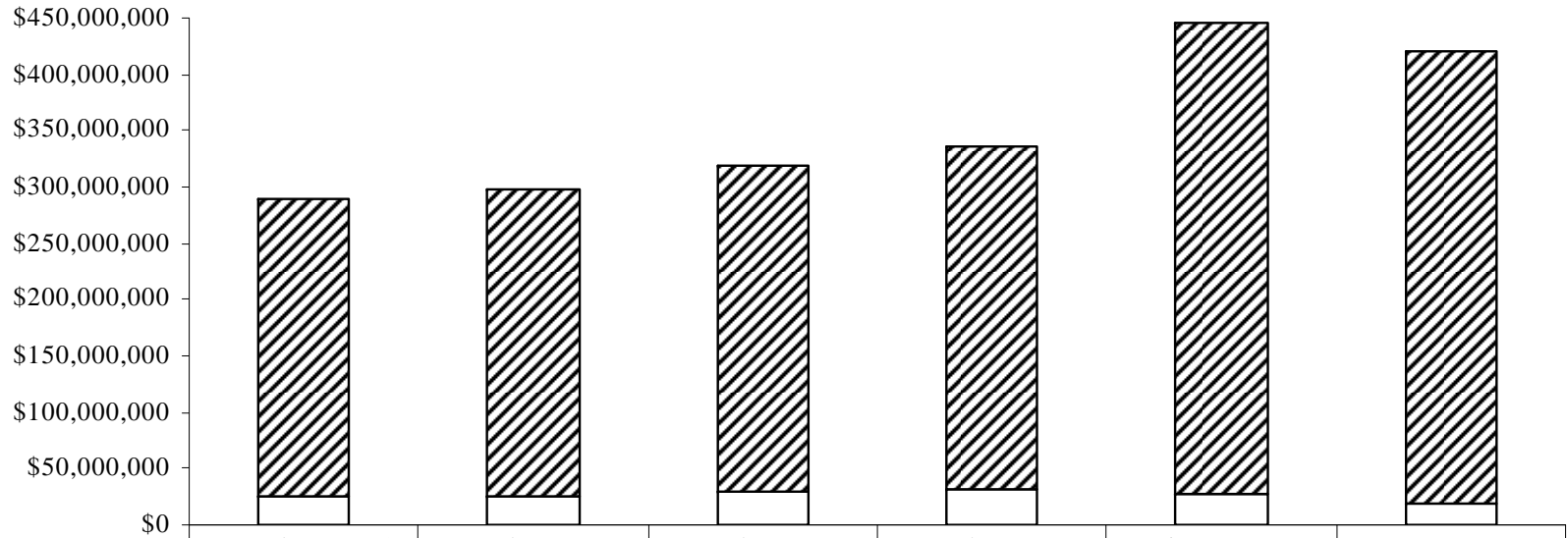
Administration, Arizona Department of
Agriculture, Arizona Department of
AHCCCS
Arts, Arizona Commission on the
Attorney General - Department of Law
Automobile Theft Authority
Charter Schools, State Board for
Commerce, Department of
Community Colleges, Arizona
Corporation Commission
Corrections, State Department of
Criminal Justice Commission, AZ
Deaf & the Blind, AZ State Schools for the
Drug & Gang Prevention Resource Center, AZ
Economic Security, Department of
Education, Department of
Emergency and Military Affairs, Department of
Environmental Quality, Department of
Executive Clemency, Board of
Financial Institutions, State Department of
Game and Fish Department, Arizona
Government Information Technology Agency
Health Services, Department of
Homeland Security, Arizona Department of
Housing, Arizona Department of
Judiciary
Juvenile Corrections, Department of
Land Department, State
Liquor Licenses & Control, Department of
Lottery Commission, Arizona State
Mine Inspector, State
Mines & Mineral Resources, Department of
Parks Board, Arizona State
Postsecondary Education, Commission for
Psychologist Examiners, State Board of
Public Safety, Department of/Law Enforcement Merit System Council
Radiation Regulatory Agency
Retirement System, Arizona State
Revenue, Department of
School Facilities Board
Secretary of State, Department of State
Tourism, Office of
Transportation, Department of
Treasurer, State
Universities
Veterans' Services, Department of
Water Resources, Department of

Arizona Department of Administration

Centralized Services to Support State Agencies

- Financial and Payroll Services
- Procurement and Purchasing
- Builds and Maintains State Buildings
- Human Resources
- Telephone and Data Services
- State Motor Pool
- Capitol Police
- Self-Insurance

**Arizona Department of Administration
Total Funds FY 2005 - FY 2009***



	Actual FY 2005	Actual FY 2006	Actual FY 2007	Actual FY 2008	Orig. FY 2009	Rev. FY 2009
Total Spending Authority (less HITF)	\$288,674,500	\$297,418,100	\$318,866,900	\$335,497,600	\$445,440,300	\$419,989,300
Non-General Fund	\$262,512,300	\$272,387,800	\$289,251,100	\$304,182,000	\$418,330,700	\$400,945,800
General Fund	\$26,162,200	\$25,030,300	\$29,615,800	\$31,315,600	\$27,109,600	\$19,043,500

□ General Fund ▨ Non-General Fund

* Does not include Special Employee Health Insurance Trust Fund

General Fund

Detailed List of Budget Options by Agency

	Revised FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
OPERATING SPENDING CHANGES				
DOA - Arizona Department of Administration	\$19,043,500		5	
DOA - Lump Sum Suspension/Reduction				(1,212,200)
DOA - Salary Lump Sum				(619,400)
FUND TRANSFERS				
DOA - Arizona Department of Administration				
DOA - Administration - AFIS II Collections FRAT				(173,900)
DOA - Air Quality FRAT				(85,000)
DOA - Automation Operations FRAT				(2,409,000)
DOA - Capital Outlay Stabilization FRAT				(1,300,000)
DOA - Construction Insurance FRAT				(256,300)
DOA - Construction Insurance EBT				(1,237,000)
DOA - Co-Op State Purchasing Agreement FRAT				(44,000)
DOA - Corrections FRAT				(73,400)
DOA - Motor Vehicle Pool Revolving FRAT				(1,272,700)
DOA - Personnel Division FRAT				(1,888,100)
DOA - Special Services Revolving FRAT				(216,500)
DOA - State Surplus Materials Revolving FRAT				(425,800)
DOA - Telecommunications FRAT				(1,115,800)
DOA - Telecommunications EBT				(917,300)
DOA - Telecommunications Fund - Infrastructure Improvements Account Fund Transfer				(7,976,400)

Other Funds
Detailed List of Budget Options by Agency *

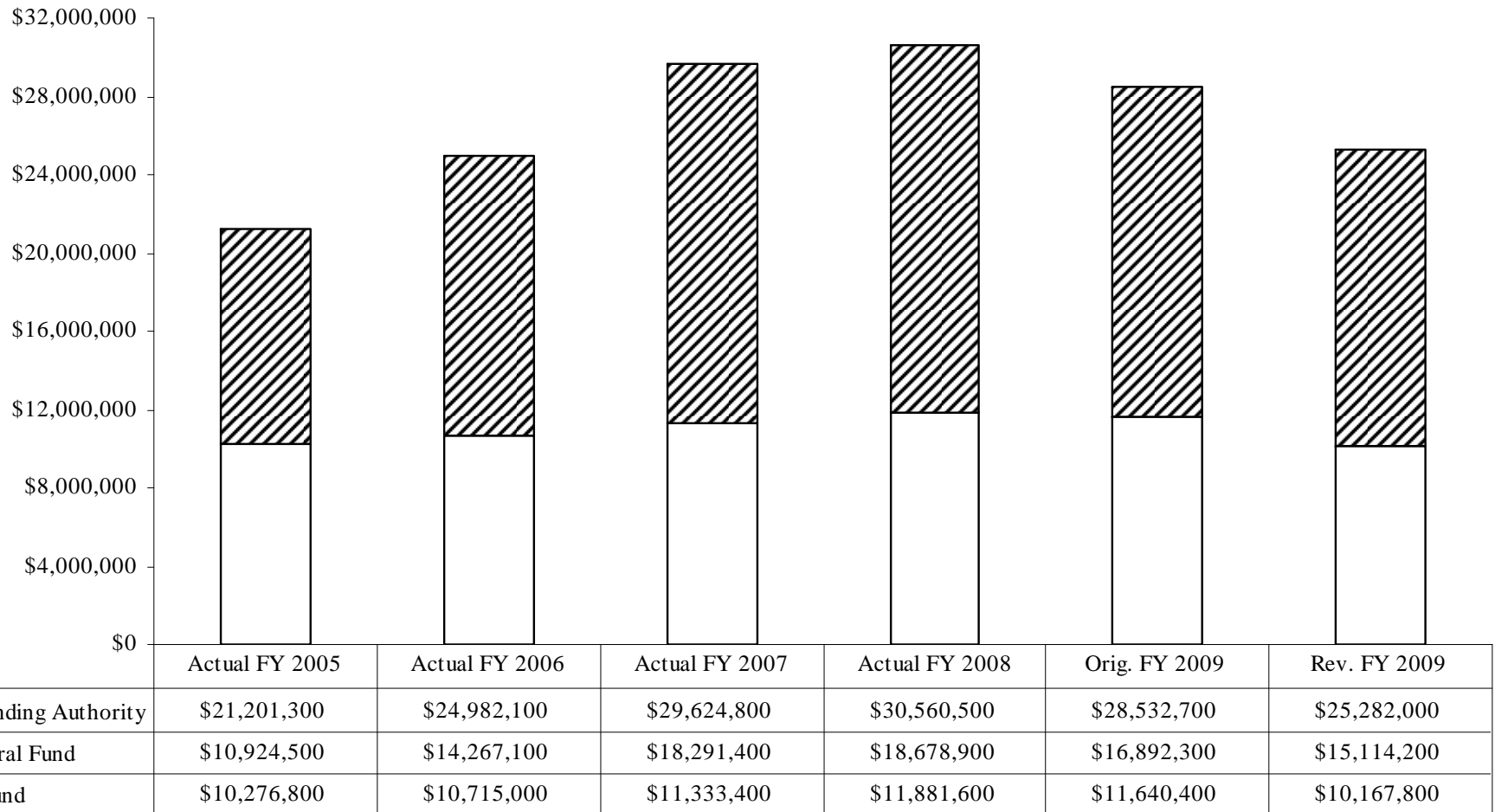
	Revised OF FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
DOA - Arizona Department of Administration	179,992,700			
DOA - Eliminate One-time Funding		(532,000)		
DOA - Salary Lump Sum				(1,870,100)

* Not duplicated from Fund Transfer Section

Arizona Department of Agriculture

- Regulates certain phases of food production, such as milking, butchering, and harvesting
- Administers programs to protect livestock and crops from pests and diseases
- Tests certain non-food agricultural products to ensure product quality and content
- Provides administrative support to several agricultural product promotion groups

**Arizona Department of Agriculture
Total Funds FY 2005 - FY 2009**



□ General Fund ▨ Non-General Fund

General Fund

Detailed List of Budget Options by Agency

	Revised FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
AGR - Department of Agriculture	\$10,167,800		28	
AGR - Lump Sum Suspension/Reduction				(582,000)
AGR- Salary Lump Sum				(433,200)
FUND TRANSFERS				
AGR - Department of Agriculture				
AGR - Beef Council FRAT				(62,000)
AGR - Citrus, Fruit & Vegetable Revolving FRAT				(108,700)
AGR - Cotton Research & Protection Council FRAT				(168,800)
AGR - Designated FRAT				(67,200)
AGR - Egg Inspection FRAT				(89,800)
AGR - AZ Federal-State Inspection FRAT				(342,800)

Other Funds

Detailed List of Budget Options by Agency *

	Revised OF FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
AGR - Department of Agriculture	3,340,700		28	
AGR - Salary Lump Sum				(105,100)

* Not duplicated from Fund Transfer Section

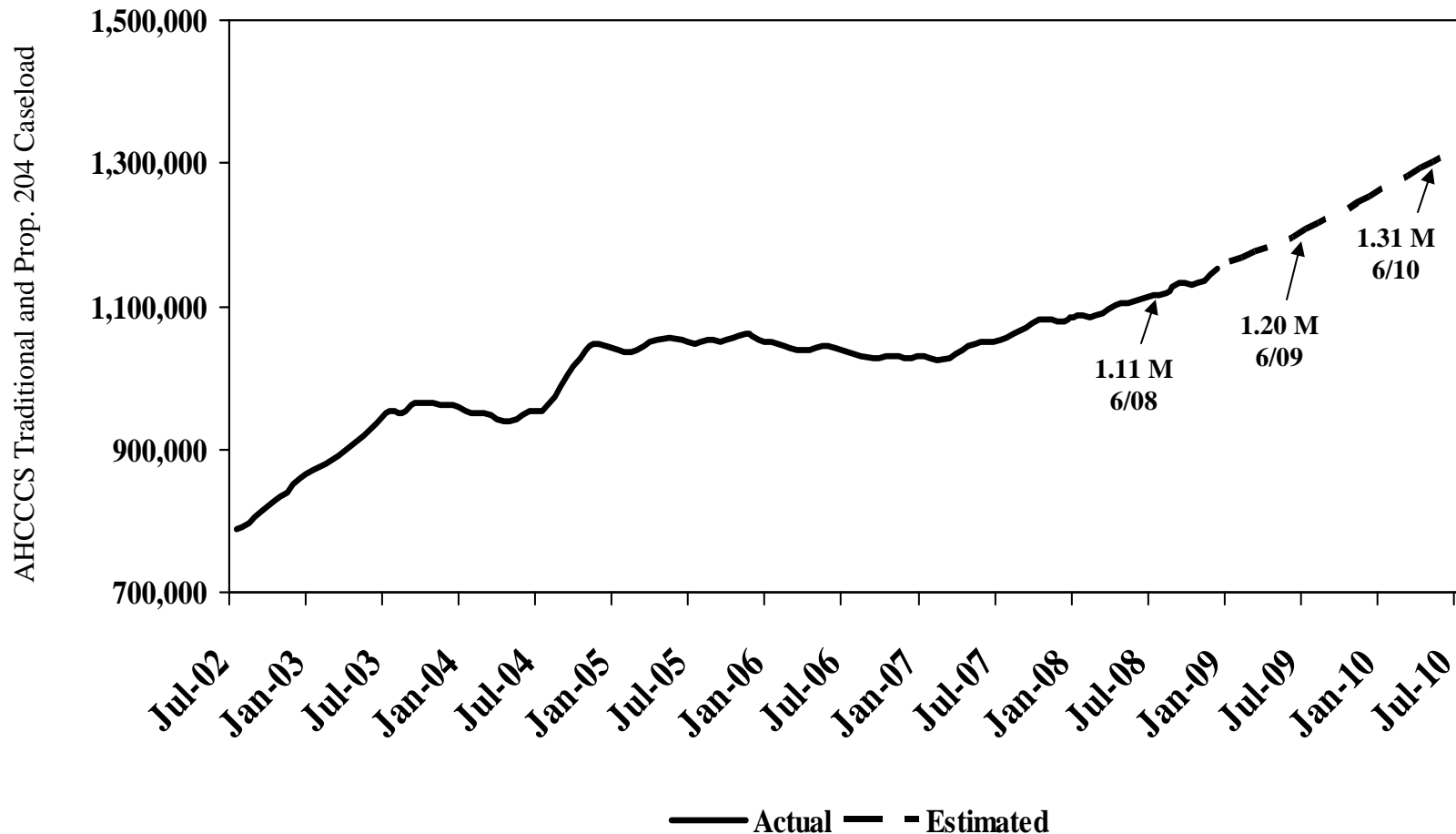
Arizona Health Care Cost Containment System

- Administers Arizona's managed care Medicaid program
 - Traditional Medicaid population
 - Children up to 100%-140% FPL
 - Parents up to 36% FPL
 - Pregnant women up to 150% FPL
 - Aged, Blind and disabled adults up to 75% FPL
 - Proposition 204 population
 - Expanded coverage for adults up to 100% FPL
 - KidsCare & KidsCare Parents
 - Expanded coverage for children & their parents up to 200% FPL
 - Long-term care
 - Coverage up to 222% FPL
 - Payments to hospitals

AHCCCS Caseloads Higher Than Projected

-- FY '09 revised budget included an \$87 M Supplemental

-- FY '10 Growth Estimated at 9.6%



Federal Medicaid Match Rate Savings

- Increases federal share of Medicaid costs from 66% to 75% for indigent health care programs
- Reduces AHCCCS, DES, and DHS expenditures
- Effective October 1, 2008-December 31, 2010
- Cannot lower existing eligibility limits
- Cannot increase county percent of state match
- Level of federal aid tied to unemployment rate

FY 2009 Revised Budget & FY 2010

- FY 2009 Revised Budget assumed \$500 M of federal Medicaid assistance in FY 2009.

	<u>FY 2009</u>	<u>FY 2010</u>
AHCCCS	\$360 M	\$490 M-\$538 M
DHS	\$ 80 M	\$121 M-\$133 M
DES	<u>\$ 60 M</u>	<u>\$ 91 M-\$101 M</u>
	\$500 M	\$702 M-\$772 M

Federal Medicaid Matching Rate Savings*

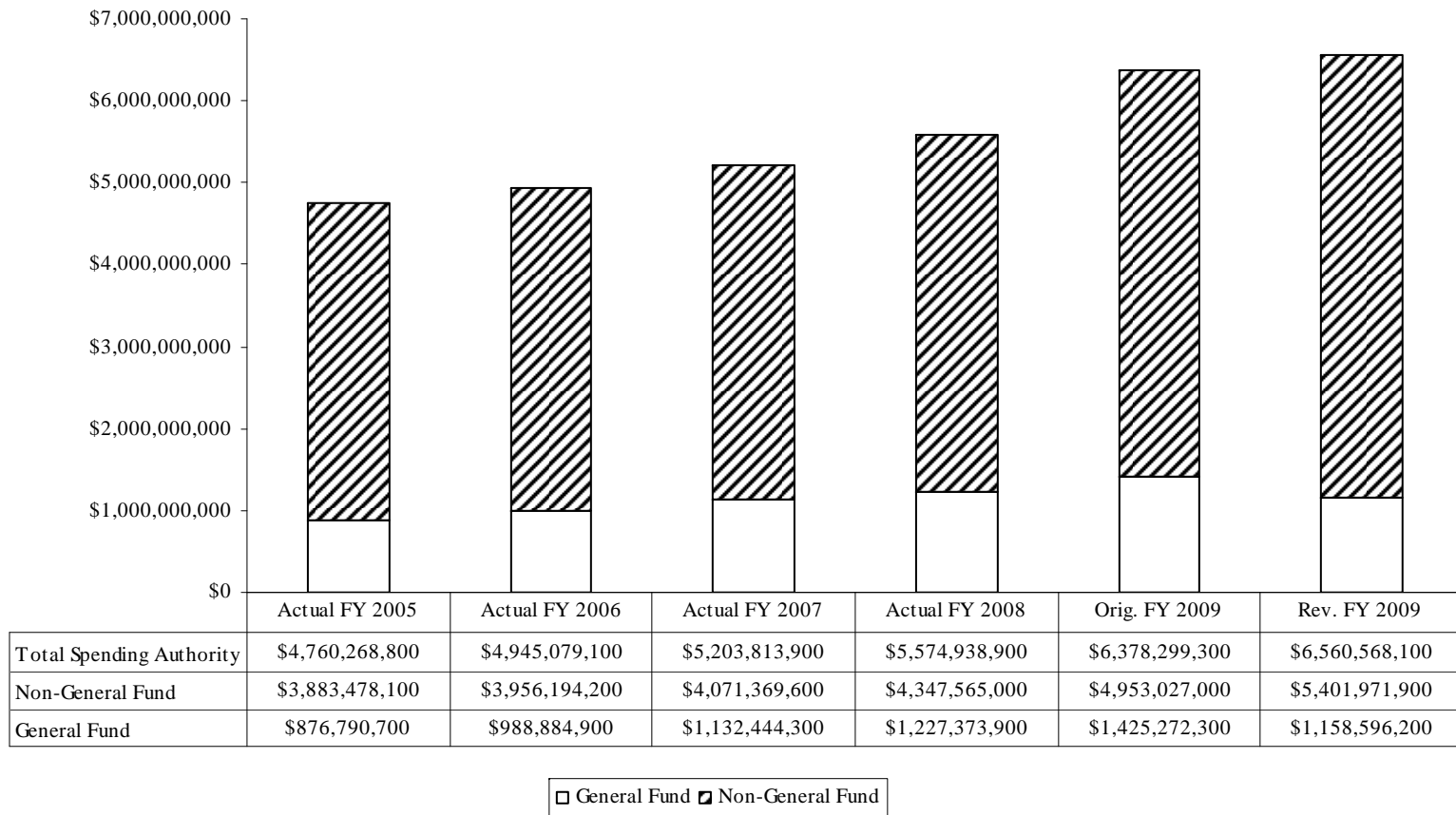
- Match Rate Temporarily Linked to Unemployment Rate
- State Will Qualify for Added Funding if Rate Exceeds 7.1%

	<u>'09</u>	<u>'10</u>	<u>'11</u>	<u>'12</u>	<u>Total</u>
	\$ in Millions				
Current 7.0%					
Unemployment Rate					
State	\$485	\$702	\$380	\$15	\$1,581
County	48	67	37	2	154
7.1% Unemployment Rate					
State	501	772	417	16	1,707
County	50	74	41	2	166

* Numbers reflect combined savings for AHCCCS, DES, and DHS.

Special Session legislation assumed \$500 million of match rate savings.

**Arizona Health Care Cost Containment System
Total Funds FY 2005 - FY 2009**



*In FY 2009, includes \$(359,648,000) GF reduction and corresponding Title XIX Expenditure Authority increase due to temporary enhanced federal matching funds.

General Fund

Detailed List of Budget Options by Agency

	Revised FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options	If Accept Federal \$
OPERATING SPENDING CHANGES					
AXS - AHCCCS	\$1,518,244,200				
AXS - FY 09 Supplemental		(87,097,600)	36		
AXS - Caseload Growth		183,202,100	35		
AXS - Lump Sum Suspension/Reduction			34	(903,100)	(903,100)
AXS - Salary Lump Sum			34	(2,451,700)	(2,451,700)
AXS - FY 09 Annualization				(1,319,100)	(1,319,100)
AXS - Eliminate KidsCare Children Program			54	(35,612,300)	0
AXS - Eliminate KidsCare Parents			55	(7,321,500)	0
AXS - (5)% Rate Adjustments			34	(71,000,000)	(49,911,500)
AXS - Eliminate Ticket to Work Program			52	(2,378,100)	0
AXS - Implement DRA Copayments			34	(1,600,000)	0
AXS - Eliminate Optional Services			34	(39,300,000)	(27,627,100)
AXS - Eliminate Non-Federally Required ALTCS			58	(153,166,400)	0
AXS - Eliminate County Hold Harmless			54	(4,825,600)	(4,825,600)
AXS - Require All Counties to Pay 100% ALTCS Growth			58	(12,385,100)	0
FUND TRANSFERS					
AXS - AHCCCS					
AXS - Intergovernmental Services EBT			38	(273,200)	
AXS - AHCCCS Third Party Collections EBT			38	(130,700)	

Other Funds

Detailed List of Budget Options by Agency *

	Revised OF FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
AXS - AHCCCS	281,297,100			
AXS - Salary Lump Sum - Healthcare Group Fund				(209,900)
AXS - One-time County Contributions		(17,830,500)	59	
AXS - Temporary Medical Coverage Program		(3,247,200)	52	
AXS - Prop 204 DES Eligibility Statutory Adjustment		152,500	44	
AXS - KidsCare Caseload Decline/Other		(7,877,000)	54	

* Not duplicated from Fund Transfer Section

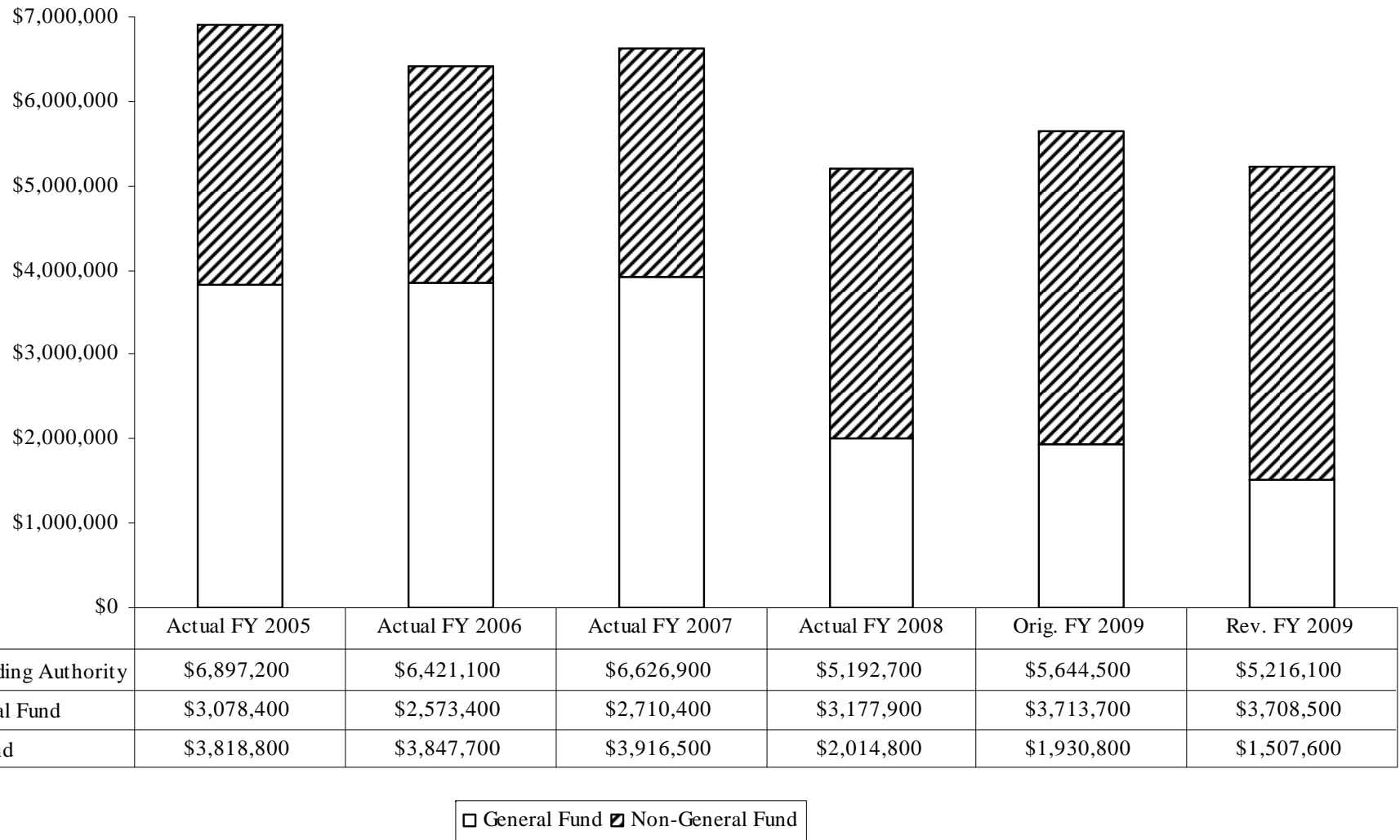
Proposed Budget Reconciliation Bill and Footnote Changes

- Eliminate the Temporary Medical Coverage Program, which was suspended during FY 2009
- Delete the footnote allowing AHCCCS to expend funds for hospice services to non-ALTCS members

Arizona Commission on the Arts

- Promotes the arts in the state
 - Offers matching grants to communities and arts organizations
 - Develops programs in-house to showcase artists in all disciplines
 - Serves as a resource for local artists

**Arizona Commission on the Arts
Total Funds FY 2005 - FY 2009**



General Fund

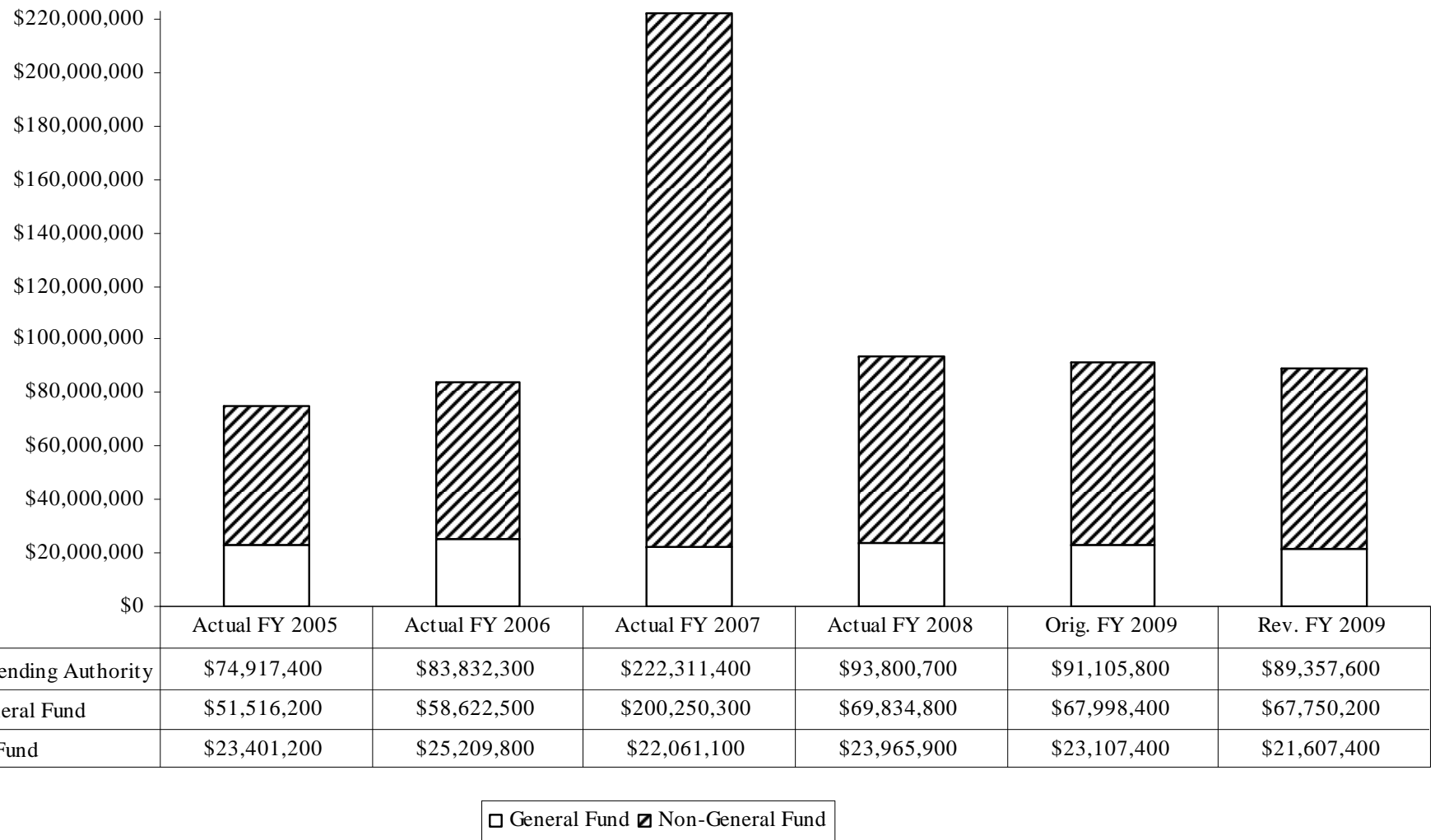
Detailed List of Budget Options by Agency

	Revised FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
ART - Arizona Commission on the Arts	\$1,507,600		64	
ART - Salary Lump Sum				(29,400)
ART - FY 09 Annualization				(563,100)
FUND TRANSFERS				
ART - Arizona Commission on the Arts				
ART - Arts Endowment (Corpus) Fund Transfer				(5,000,000)

Attorney General

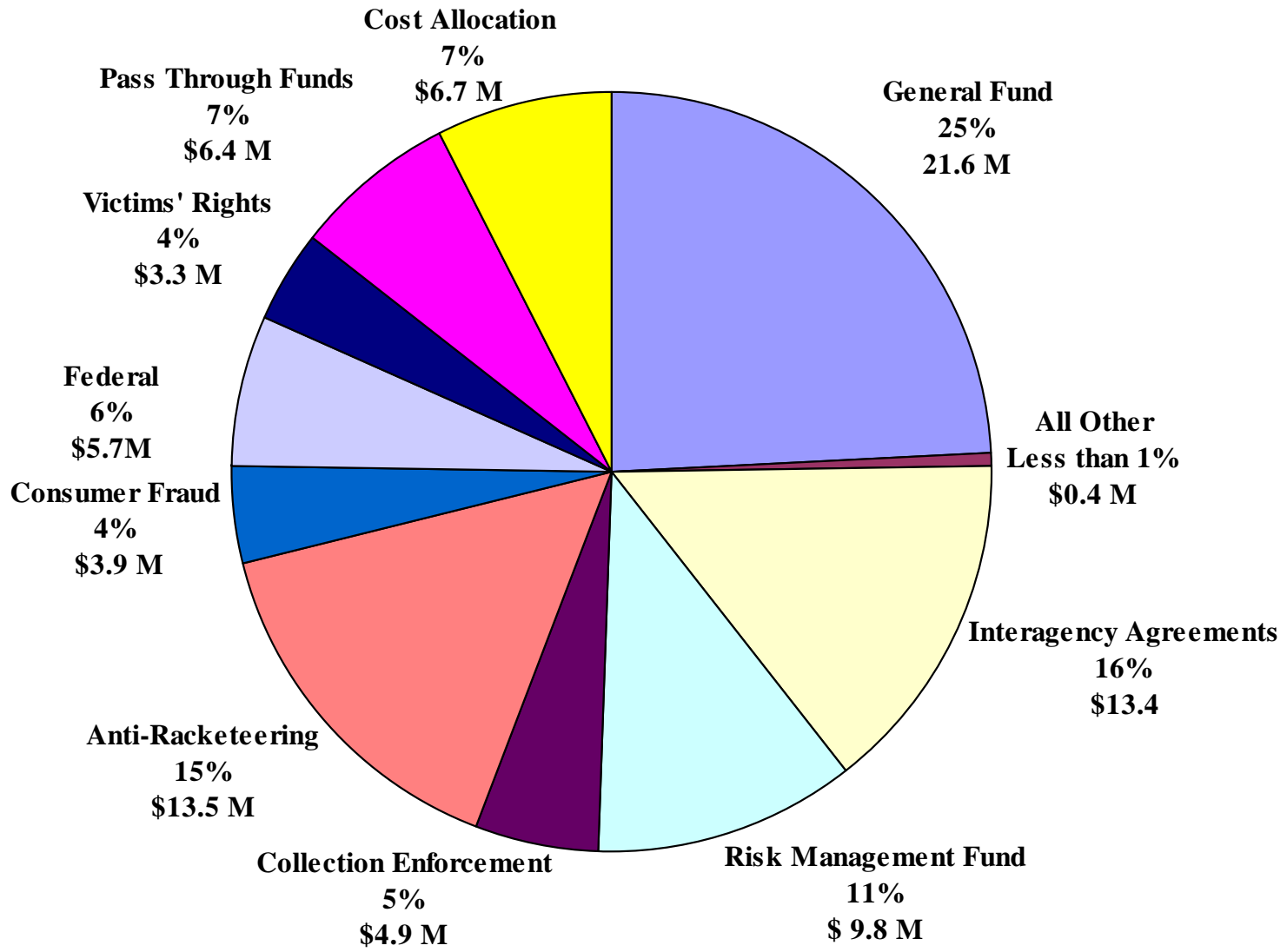
- Investigates and prosecutes criminal cases
- Civil Division – provides legal counsel to state agencies
- Represents the state in juvenile dependency matters
- Enforces civil rights, environmental, consumer protection, and anti-trust laws

**Attorney General - Department of Law
Total Funds FY 2005 - FY 2009**



Attorney General

Total Funding in FY 2010 = \$89.6 M



General Fund

Detailed List of Budget Options by Agency

	Revised FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
ATT - Attorney General	\$21,607,400			
ATT - Lump Sum Suspension/Reduction				(1,949,100)
ATT - Salary Lump Sum				(1,521,600)
FUND TRANSFERS				
ATT - Attorney General				
ATT - Collection Enforcement Revolving FRAT				(502,900)

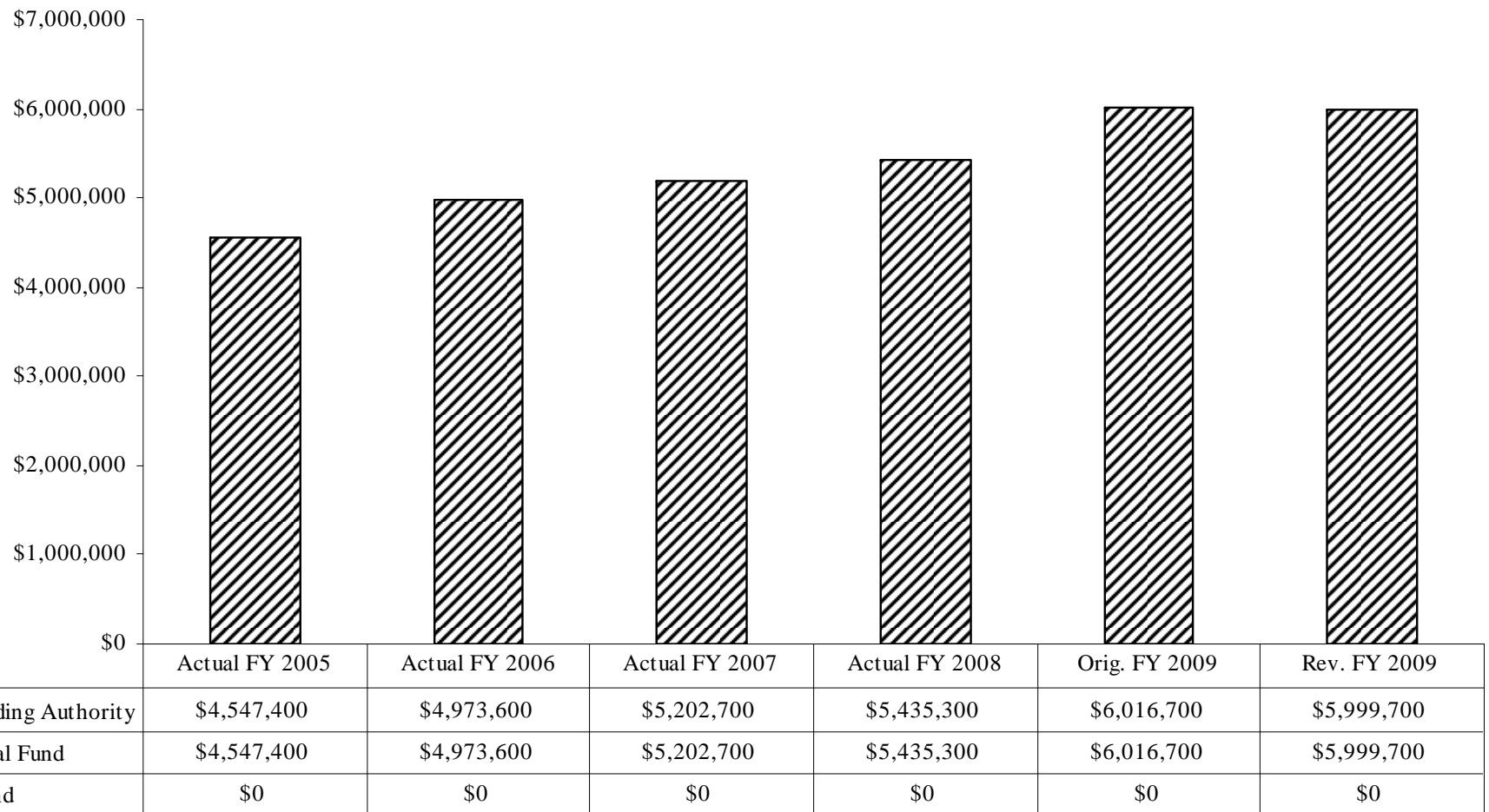
Proposed Budget Reconciliation Bill Changes

- Continue to allow the AG to use monies from the Consumer Protection-Consumer Fraud Revolving Fund for operating expenses
- Require county attorney resources to be distributed proportionally among counties based on prosecutor caseloads
- New footnote would require the AG to report estimated Legal Services Cost Allocation Fund revenues and JLBC and OSPB will adjust their lump sum reduction downward if a shortfall is determined to exist.

Automobile Theft Authority

- Responsible for identifying methods of combating vehicle theft and promoting methods to reduce the number of vehicle thefts.
- Provides grants to state, county, and local entities for:
 - Law enforcement activities & investigations;
 - Vertical prosecution; and
 - Public awareness and community education programs.

**Automobile Theft Authority
Total Funds FY 2005 - FY 2009**



□ General Fund ▨ Non-General Fund

Other Funds

Detailed List of Budget Options by Agency *

	Revised OF FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
ATA - Automobile Theft Authority	5,999,700		72	
ATA - Salary Lump Sum				(23,500)

* Not duplicated from Fund Transfer Section

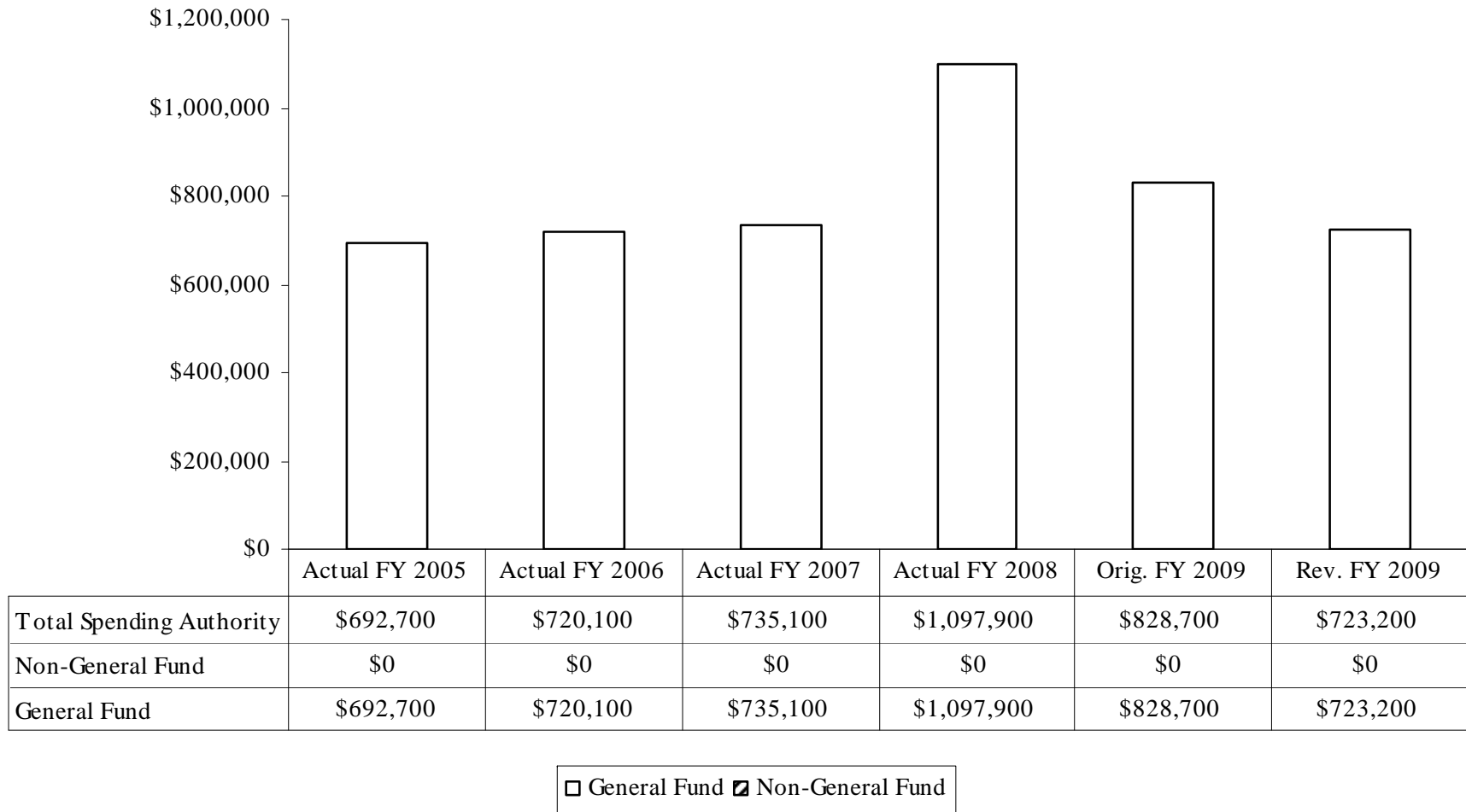
Major Footnote Changes

- Adds a footnote requiring Automobile Theft Authority Fund monies: 1) to be granted with consideration given to areas with greater automobile theft problems; and 2) to be used to combat economic auto theft operations.

State Board For Charter Schools

- Is one of 3 entities that may sponsor a charter school
- Reviews and approves charter school applications, including renewal applications
- Monitors schools that it sponsors for compliance with statute and their individual charters
- Currently oversees 476 charter schools

**State Board for Charter Schools
Total Funds FY 2005 - FY 2009**



General Fund
Detailed List of Budget Options by Agency

	Revised FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
CHA - State Board for Charter Schools	\$723,200			
CHA - Lump Sum Suspension/Reduction				(41,500)
CHA - Salary Lump Sum				(31,800)
CHA - Eliminate One-time Funding		(4,800)		

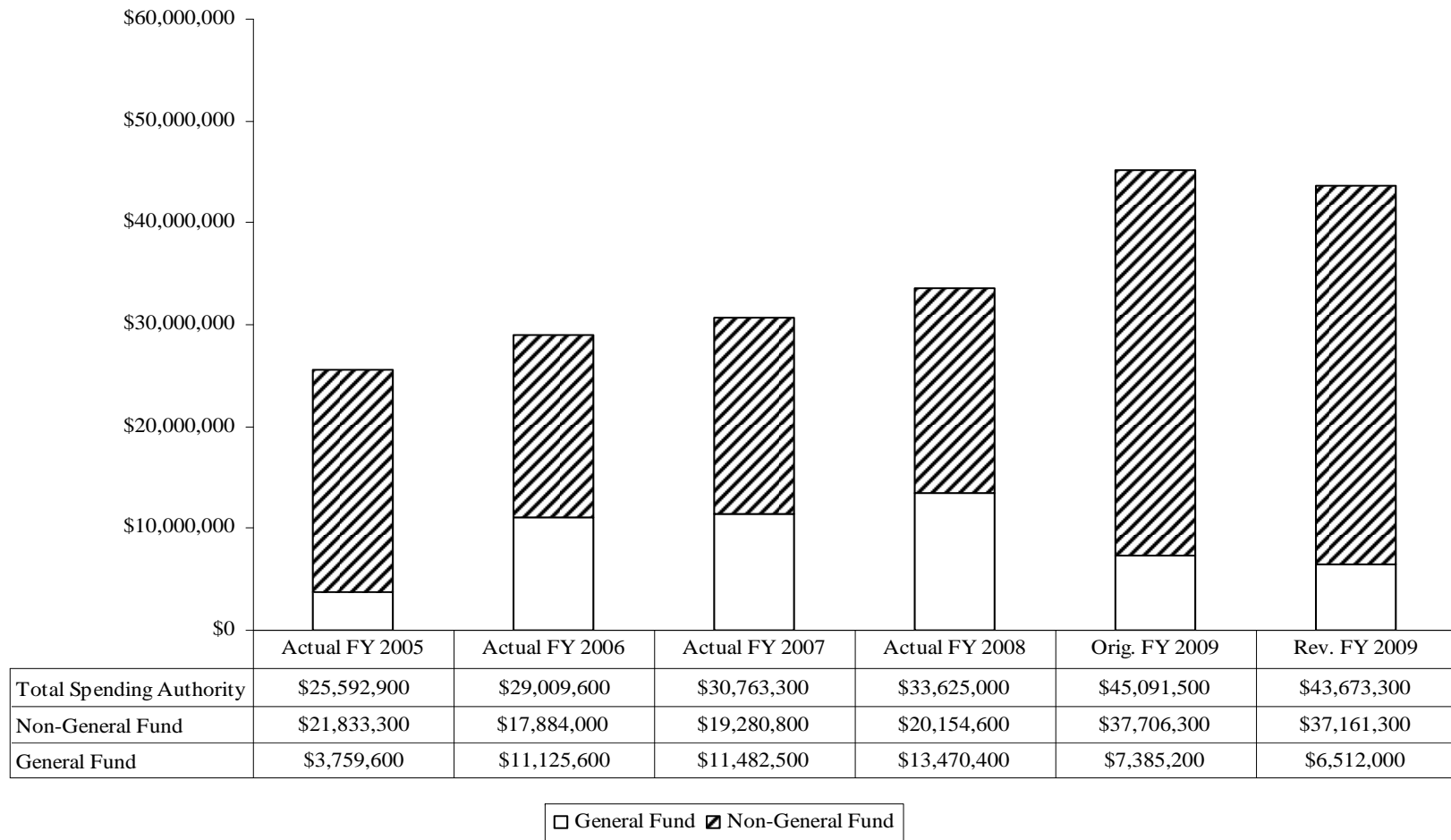
Proposed Budget Reconciliation Bill Changes

- Amend statute to extend the effective duration of approved charter school plans, including already approved plans, from 15 to 20 years
- Currently, the first round of charter school renewal applications would be processed in FY 2010
- The Board estimates that it otherwise would process 54 renewal applications during FY 2010

Department of Commerce

- Promotes economic, community and workforce development
- Provides economic research and information
- Supports business expansion and attraction
- Distributes grants and provides technical assistance to rural areas
- Funds international trade offices
- Administers the motion picture, solar, and other tax credits
- Administers various energy programs

**Department of Commerce
Total Funds FY 2005 - FY 2009**



General Fund

Detailed List of Budget Options by Agency

	Revised FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
COM - Department of Commerce	\$6,512,000		85	
COM - Suspend Agency Operations - Retain Nursing \$				(3,880,000)
FUND TRANSFERS				
COM - Department of Commerce				
COM - Commerce Development Bond EBT				(699,000)
COM - CEDC FRAT				(394,300)
COM - CEDC EBT				(2,693,700)
COM - Commerce Workshops FRAT				(51,600)
COM - Commerce Workshops EBT				0
COM - GADA Revolving FRAT				(55,600)
COM - GADA Revolving EBT				(1,579,000)
COM - Arizona Job Training FRAT				(1,850,000)
COM - Arizona Job Training EBT				(10,389,600)
COM - Military Installation FRAT				(572,200)
COM - Military Installation EBT				(591,800)
COM - Arizona 21st Century Fund				0

Other Funds

Detailed List of Budget Options by Agency *

	Revised OF FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
COM - Department of Commerce	3,492,000			
COM - Salary Lump Sum				(53,900)

* Not duplicated from Fund Transfer Section

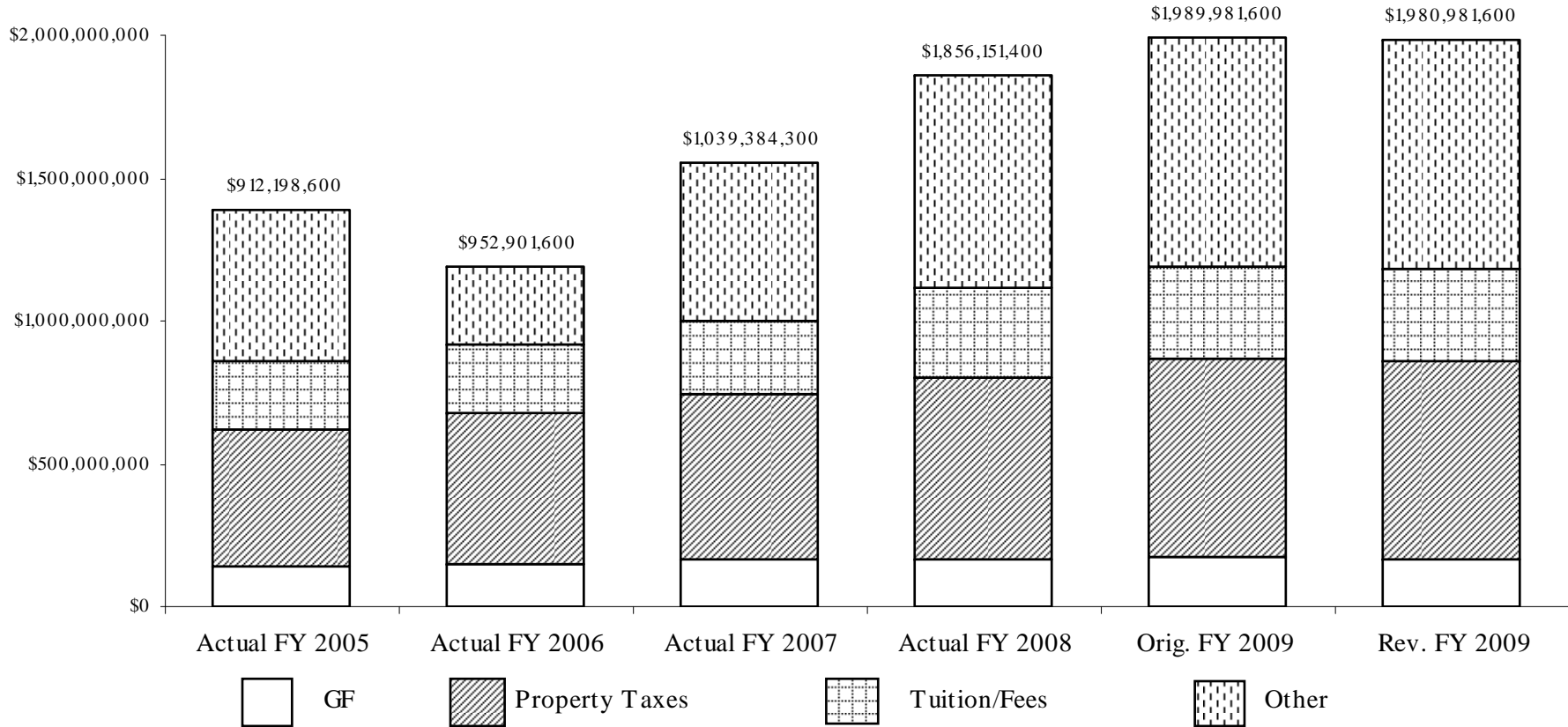
Federal Assistance in American Recovery and Reinvestment Act

- **State Energy Program** – \$44.7 million for efficiency programs, equipment, and training. 10% can be used for administration. There is no match requirement.
- **Weatherization Program** – \$46.6 million to help make homes more energy efficient through repairs and the purchase of more energy efficient equipment. Up to 5% can be used for administration. There is no match requirement.
- **Energy Efficiency and Conservation Block Grant Program**
– To be a determined amount for cities, towns, and counties to be used for energy efficiency programs. Approximately up to 2.5% can be used for administrative costs. There is no match requirement.

Community Colleges

- 10 districts and 1 provisional district
- 3 main types of state assistance
 - Operating State Aid
 - Capital Outlay Aid
 - Equalization Aid

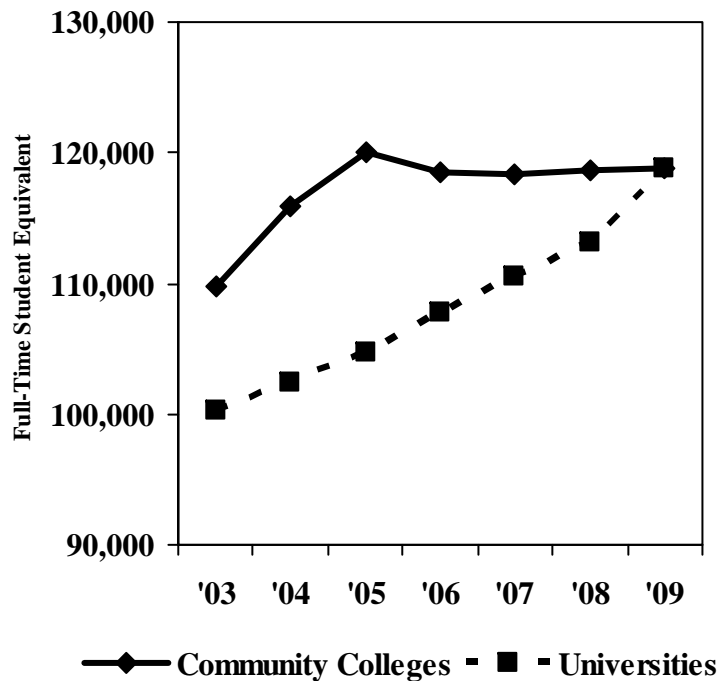
**Arizona Community Colleges
Total Funds FY 2005 - FY 2009**



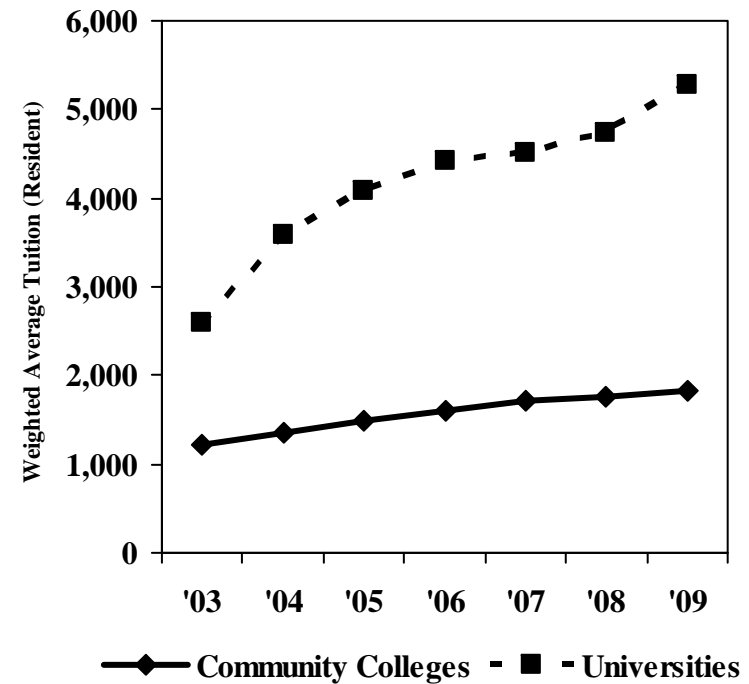
Tuition & Enrollment

Community Colleges & Universities

Enrollment



Tuition



General Fund

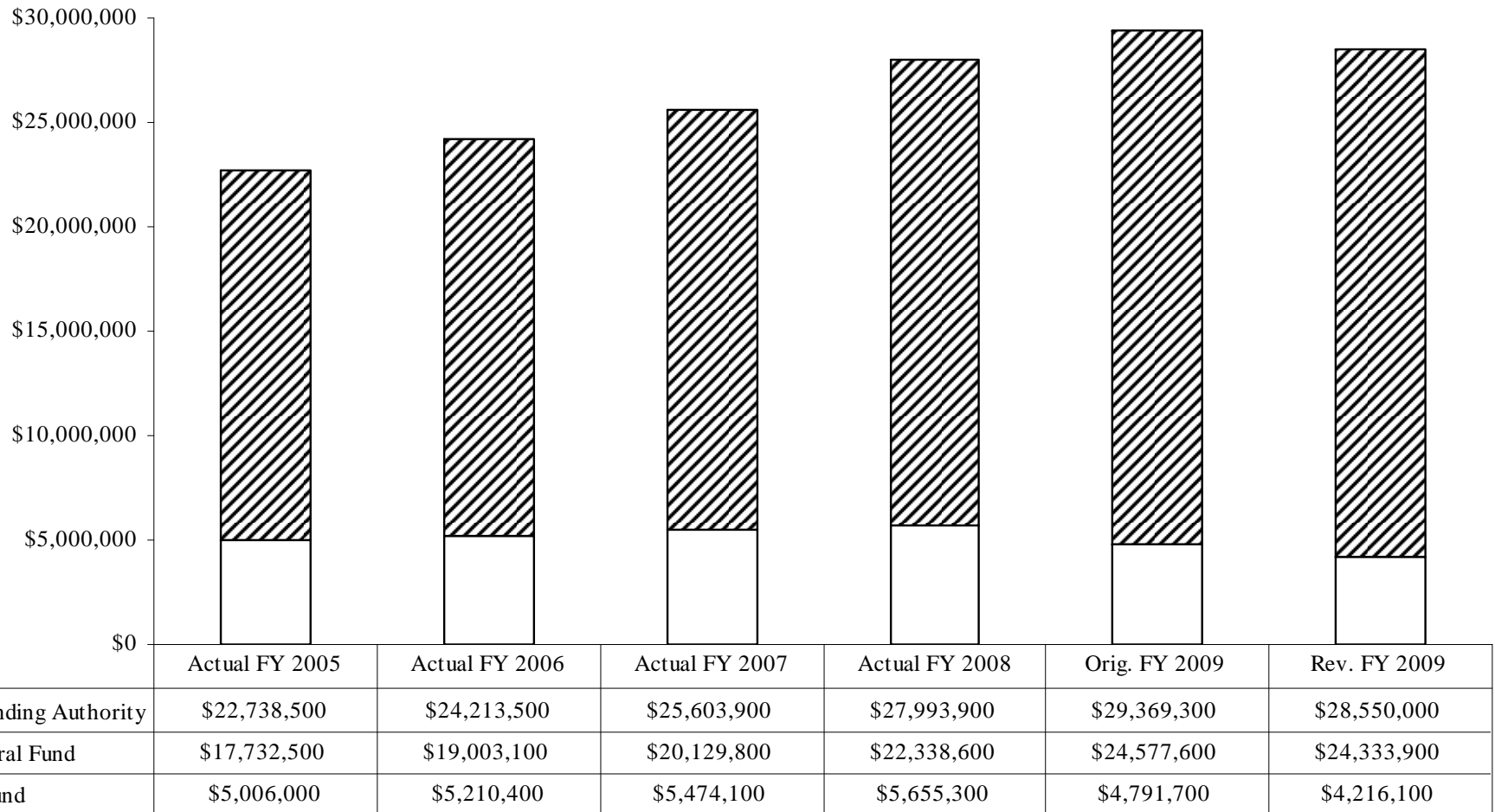
Detailed List of Budget Options by Agency

	Revised FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
CCO - Arizona Community Colleges	\$138,679,800		94	
CCO - Formula Growth		8,019,800		
CCO - Tribal Formula Adjustments		(220,000)		
CCO - Reduce One-time Spending		(500,000)		
CCO - Lump Sum Suspension/Reduction				(13,152,000)
CCO - Cap Equalization Program at FY 08				(11,375,700)
CCO - Eliminate Tribal College Funding				(1,724,000)
CCO - Eliminate Hold Harmless Provision				(1,677,300)
CCO - Rollback Out of County Reimbursement Subsidy				(1,000,000)
CCO - Fund Dual Enrollment at 50%				(2,163,800)
CCO - Fund No Operating Enrollment Growth in FY 10				(1,077,300)

Corporation Commission

- The Commission consists of 5 statewide elected Commissioners (4-year terms)
- 3 primary divisions/functions:
 1. The Corporation Division - provides public access to corporate annual reports, articles of incorporation, and corporate status change documents
 2. The Securities Division - regulates securities dealers and investment advisers
 3. The Utilities Division - monitors approx. 500 public service corporations and establishes public utility rates

**Corporation Commission
Total Funds FY 2005 - FY 2009**



□ General Fund ▨ Non-General Fund

General Fund

Detailed List of Budget Options by Agency

	Revised FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
COR - Corporation Commission	\$4,216,100		103	
COR - Lump Sum Suspension/Reduction				(214,100)
COR - Salary Lump Sum				(207,100)
FUND TRANSFERS				
COR - Corporation Commission				
COR - Investment Management Regulatory & Enf. FRAT				(92,900)
COR - Investment Management Regulatory & Enf. EBT				(433,300)
COR - Public Access EBT				(284,200)
COR - Securities Regulatory & Enforcement FRAT				(392,100)
COR - Utility Regulation Revolving EBT				(375,800)

Other Funds

Detailed List of Budget Options by Agency *

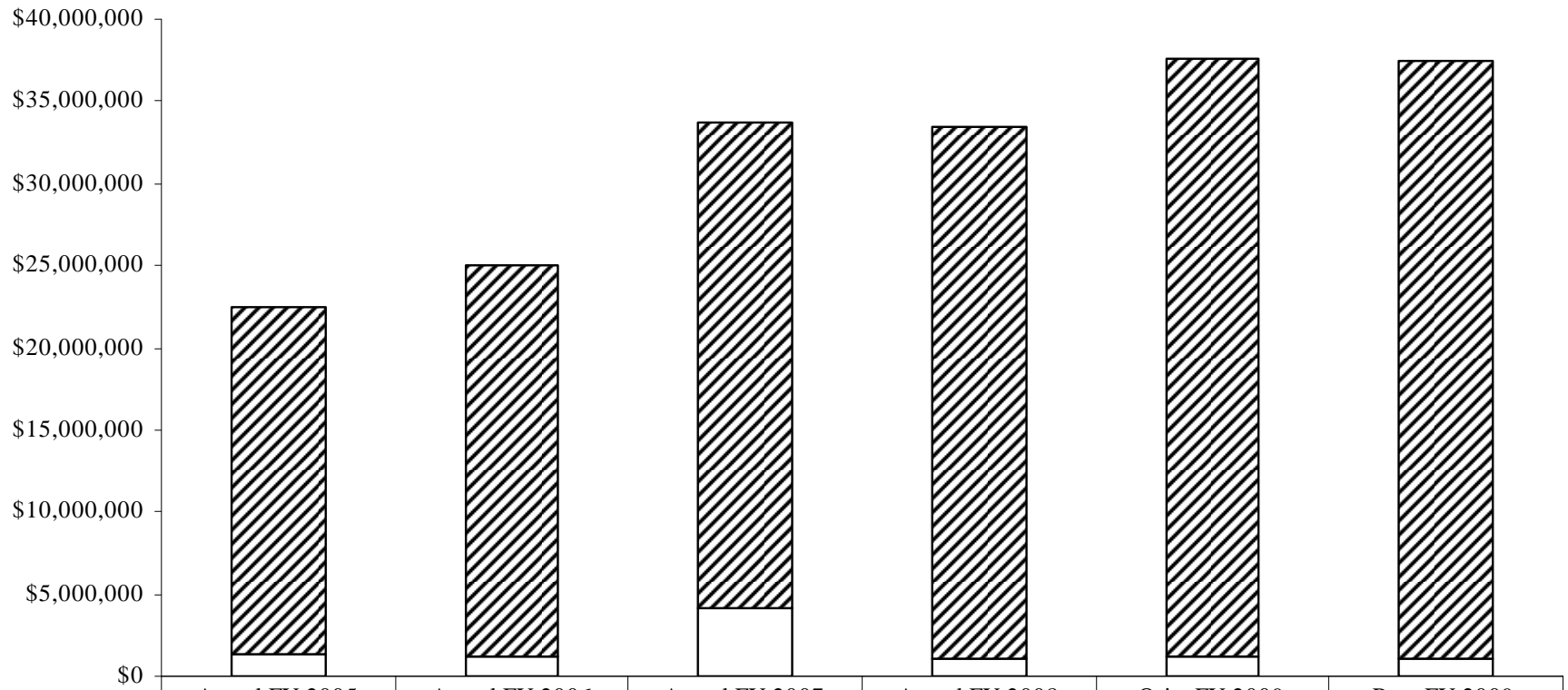
	Revised OF FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
COR - Corporation Commission	23,981,900			
COR - Automation Funding		(454,000)	103	

* Not duplicated from Fund Transfer Section

Arizona Criminal Justice Commission

- Monitors the progress and implementation of new and continuing criminal justice legislation.
- Identifies needed revisions in the criminal justice system or legislation.
- Reports on the criminal justice system programs and activities.
- Administers funding to criminal justice programs in Arizona.
- Composed of 19 members who represent various elements of the criminal justice system in Arizona. Fourteen of the 19 members are county or elected officials and the remaining five are criminal justice agency heads.

**Arizona Criminal Justice Commission
Total Funds FY 2005 - FY 2009**



□ General Fund ▨ Non-General Fund

General Fund
Detailed List of Budget Options by Agency

	Revised FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
JUS - Arizona Criminal Justice Commission	\$1,054,800		119	
JUS - Lump Sum Suspension/Reduction				(58,600)
FUND TRANSFERS				
JUS - Arizona Criminal Justice Commission				
JUS - Criminal Justice Enhancement EBT				(572,800)
JUS - State Aid to Indigent Defense FRAT				(99,200)
JUS - State Aid to Indigent Defense EBT				(104,600)

Other Funds
Detailed List of Budget Options by Agency *

	Revised OF FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
JUS - Arizona Criminal Justice Commission	6,866,900		119	
JUS - Salary Lump Sum				(28,200)

* Not duplicated from Fund Transfer Section

Other Chairmen's Options

- Transfer CJEF Distribution to County Attorneys Fund to ACJC
 - Baseline: CJEF distribution is to be distributed to counties based on caseloads
- Transfer Arizona Prosecuting Attorneys' Advisory Council (APAAC) to ACJC
 - APAAC is funded through a CJEF distribution

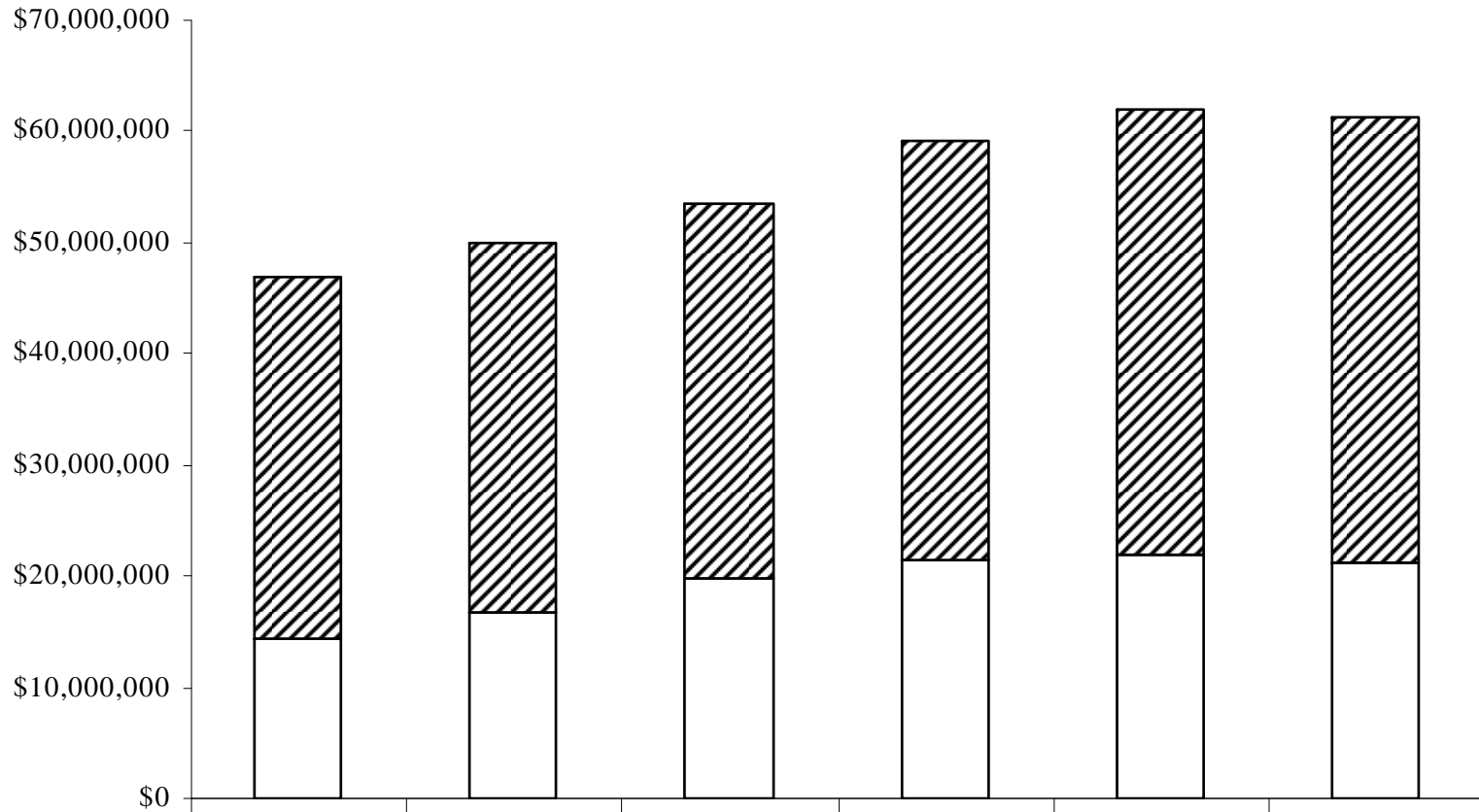
Arizona Will Receive \$42 Million of Byrne Grant Federal Stimulus Monies

- 40% or \$16.8 million of Byrne/Justice Assistance Grant is distributed directly to local governments
 - Funds distributed to recipients based on federal formula
- 60% or \$25.2 million is given to ACJC
 - At least 64% or \$16.1 million must be passed through to local governments
 - \$9.1 million may be used for state programs
 - 10% or \$2.5 million can be used for administrative expenses
 - Funds distributed to recipients through competitive grants
- Commission Timeline:
 - On March 19, the Commission will consider what may have been proposed by the legislature on ACJC's budget, make a determination as to how to most effectively use the funds, and open the grant process for applications
 - On April 9, the grant application is due.
 - On May 21, the Commission will determine which programs to fund and at what level. The Commission will have 4 years to spend these funds.

Arizona State Schools for the Deaf and the Blind

- Provides comprehensive educational programs for sensory impaired students from birth to age 22.
- ASDB has two main campuses:
 - Tucson: Residential campus which serves approximately 240 students
 - Phoenix: Day school which serves approximately 280 students
- Operates satellite preschools in the Phoenix and Tucson metropolitan areas with approximately 180 students
- Operates 5 regional cooperatives with schools districts which serve approximately 1,600 students

**Arizona State Schools for the Deaf and the Blind
Total Funds FY 2005 - FY 2009**



	Actual FY 2005	Actual FY 2006	Actual FY 2007	Actual FY 2008	Orig. FY 2009	Rev. FY 2009
Total Spending Authority	\$46,810,300	\$49,865,900	\$53,558,800	\$59,163,500	\$61,971,400	\$61,233,400
Non-General Fund	\$32,337,200	\$33,099,500	\$33,768,500	\$37,738,900	\$39,959,700	\$39,959,700
General Fund	\$14,473,100	\$16,766,400	\$19,790,300	\$21,424,600	\$22,011,700	\$21,273,700

□ General Fund ▨ Non-General Fund

General Fund

Detailed List of Budget Options by Agency

	Revised FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
SDB - AZ State Schools for the Deaf and the Blind	\$21,273,700			
SDB - Lump Sum Suspension/Reduction				(3,301,800)

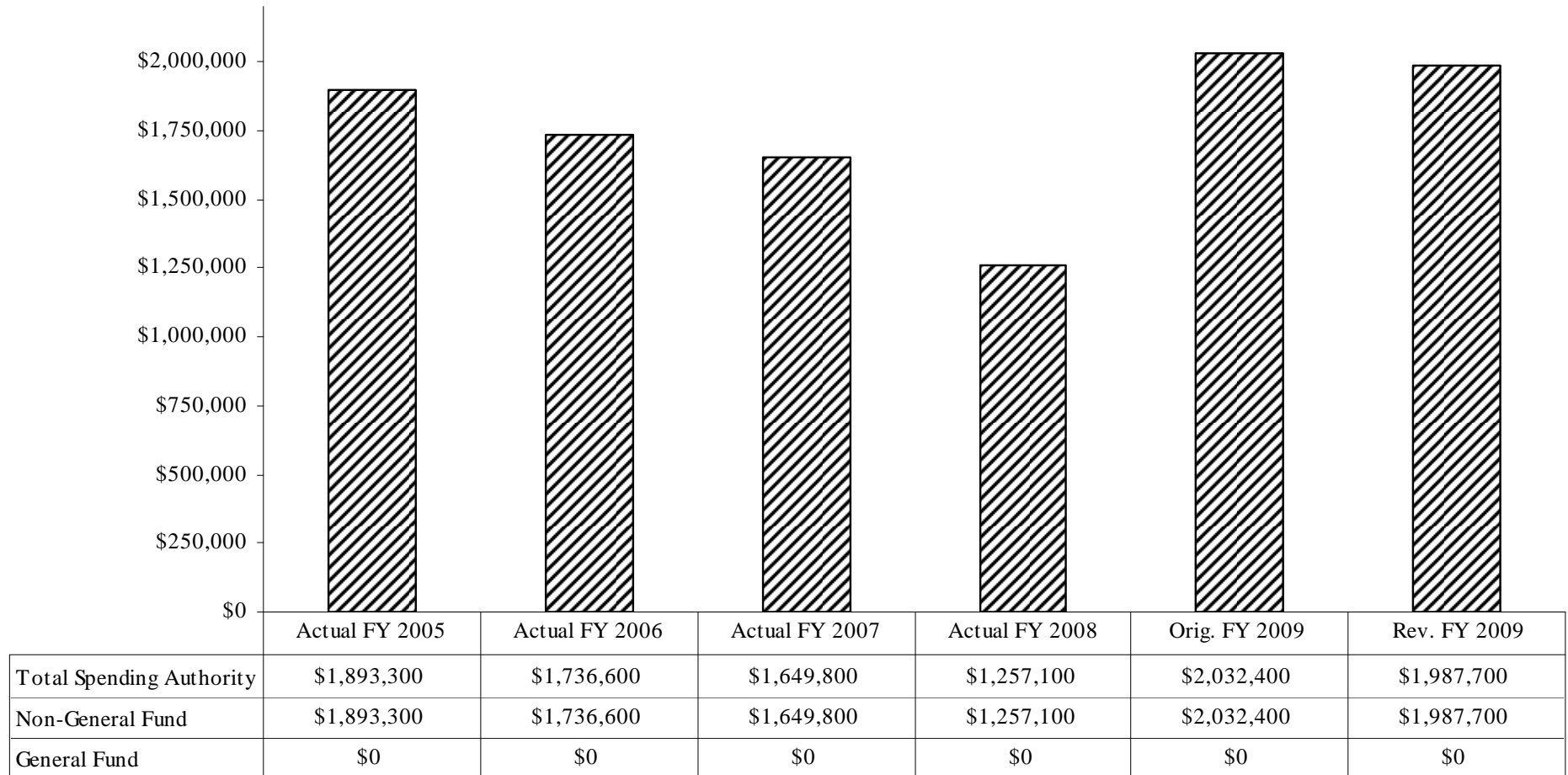
HB 2747 and ASDB Personnel

- Laws 2008, Chapter 208 (HB 2747) would change ASDB personnel from “uncovered” status to “covered” status (subject to ADOA personnel rules).
- ADOA estimates the cost of HB 2747 to ASDB to be roughly \$5 million.
- Statute contains a conditional enactment clause.
 - By July 1st, 2009, the Legislature must have appropriated sufficient monies to ADOA to fund the provisions of the act. The Director of ADOA is responsible for determining whether this condition has been satisfied.
- ASDB would be required to pay ADOA pro rata personnel charges, estimated at \$400k per year

Drug and Gang Prevention Resource Center

- Assists communities' drug and gang prevention activities
 - Manages an information clearinghouse
 - Addresses evaluation of prevention programs
 - Assists local and state government agencies, school districts, and social service organizations in the submission of grant proposals to enhance funding for prevention

**Drug and Gang Prevention Resource Center
Total Funds FY 2005 - FY 2009**



□ General Fund ■ Non-General Fund

**General Fund
Detailed List of Budget Options by Agency**

	Original FY 2009	09 Budget Plan	09 Budget Plan Subtotal		10 JLBC Baseline	10 Options	Pg#
FUND TRANSFERS							
PRC - Drug & Gang Prevention Resource Center							
PRC - Drug & Gang Prevention Resource Center FRAT		(44,700)				0	309
PRC - Drug & Gang Prevention Resource Center EBT		(170,300)				0	309
			(215,000)				

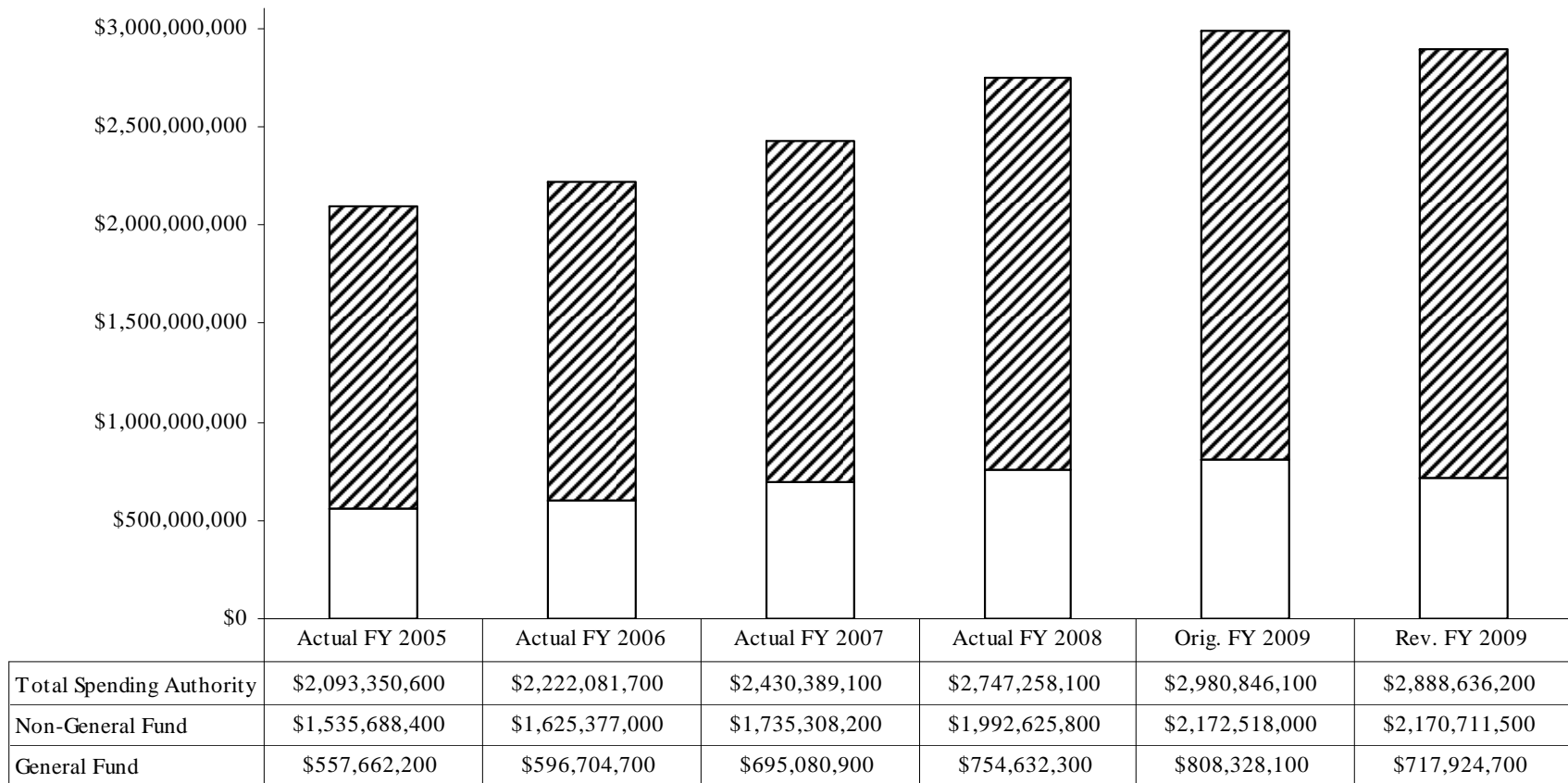
**Other Funds
Detailed List of Budget Options by Agency**

	Original FY 2009	09 Budget Plan	09 Budget Plan Agy Subtotal		10 JLBC Baseline	10 Options	Pg#
OPERATING SPENDING CHANGES							
PRC - Drug & Gang Prevention Resource Center	639,000						
PRC - Drug & Gang Prevention Resource Center FRAT		(44,700)				0	
			(44,700)				

Department of Economic Security

- Provides various services for low-income households and others in need through its 7 divisions:
 - Developmental Disabilities: Federal Title 19 and state-only services
 - Benefits and Medical Eligibility: TANF and SNAP benefits and determinations
 - Child Support Enforcement
 - Aging and Community Services: Aging, Domestic Violence, Homelessness, Hunger
 - Children, Youth, and Families: CPS staff and services
 - Employment and Rehabilitation Services: Child Care and job training
 - Administration

**Department of Economic Security
Total Funds FY 2005 - FY 2009**



□ General Fund ▨ Non-General Fund

General Fund

Detailed List of Budget Options by Agency

	Revised FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
DES - Department of Economic Security	\$717,924,700			
DES - DD Caseloads Growth		17,464,500	149	
DES - TANF Caseload Growth		3,090,700	155	0
DES - Lump Sum Suspension/Reduction				(39,458,100)
DES - Salary Lump Sum				(7,190,000)
DES - FY 09 Annualization				(23,510,900)
DES - Drug Testing TANF Recipients				(1,729,300)
DES - Reduce Children Support Services				(4,900,000)
DES - Eliminate Summer Youth Employment and Training				(750,000)
DES - Suspend Lottery Transfer to Homeless Programs				(1,000,000)
DES - Reduce Child Care Funding				(17,875,000)
DES - DD Parental Means Testing				(5,000,000)
DES - Autism Services Reduction				(2,300,000)

	Revised FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
FUND TRANSFERS				
DES - Department of Economic Security				
DES - Domestic Violence Shelter FRAT				(240,000)
DES - Domestic Violence Shelter EBT				(333,800)
DES - Long Term Care System FRAT				(2,972,600)
DES - Public Assistance Collections FRAT				(51,700)
DES - Special Administration FRAT				(173,500)
DES - Special Administration EBT				(352,200)
DES - Spinal and Head Injuries Trust FRAT				(256,600)
DES - Spinal and Head Injuries Trust EBT				(440,600)
DES - ATP - Phoenix Closure EBT				(1,450,400)

Other Funds

Detailed List of Budget Options by Agency *

	Revised OF FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
DES - Department of Economic Security	501,973,300			
DES - Salary Lump Sum				(511,100)

* Not duplicated from Fund Transfer Section

Proposed Budget Reconciliation Bill Changes

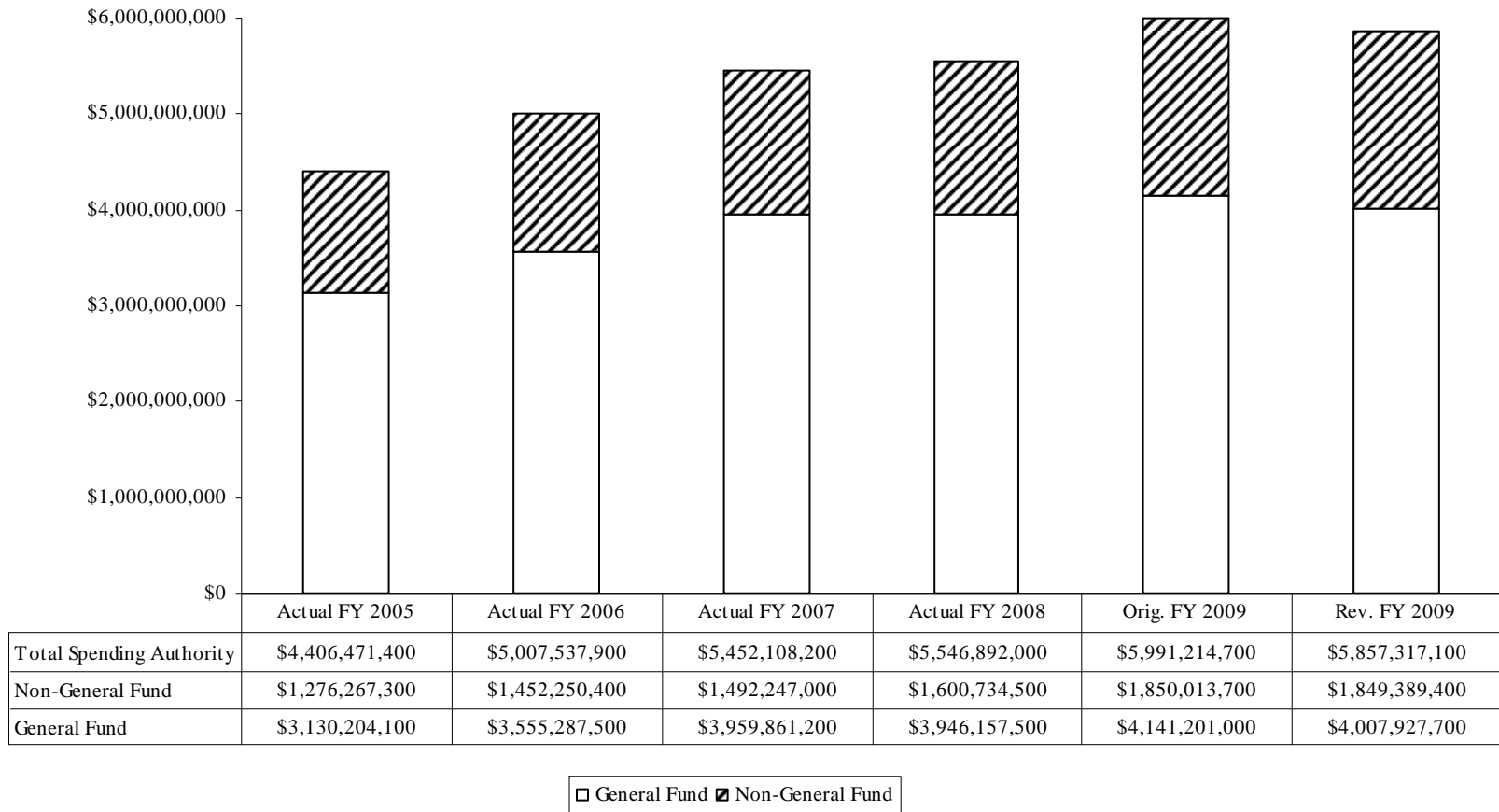
- Add a requirement that the agency focus be on services to enhance employment rather than on providing benefits

Federal Assistance in American Recovery and Reinvestment Act (\$ in millions)

		<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>	<u>Comments</u>
1	Title IV-E Programs - Foster Care/Adoption Matching Rate	6.3	8.4	4.2	18.9	<ul style="list-style-type: none"> • Would increase the share the federal government pays through 12/2010. • Reduces state spending level.
2	Elderly Nutrition				2.6	<ul style="list-style-type: none"> • Provides congregate and home delivered meals to the Elderly. • Confirming status of match and supplanting.
3	Child Care				50.9	<ul style="list-style-type: none"> • Bill says no supplanting but no details on how that will be measured. • DES is allocating \$24M of its '09 reduction to child care. • Since those reductions enacted prior to ARRA, may be able to backfill. DES also evaluating program's underlying MOE provisions.
4	Child Support	9.0	12.0	3.0	24.0	Reverses need for annual \$3M backfill of federal \$ in '08.
5	Community Services Block Grant				8.3	<ul style="list-style-type: none"> • Confirming supplanting status - may be able to backfill existing or future reduction. • May retain % for administration.
6	Vocational Rehabilitation				13.1	No match required. Confirming supplanting status.
7	Independent Living				0.3	Assistance for severely disabled individuals to live more independently. Funds adaptive aids and devices, as well as independent living skills training.
8	Services for the Blind				0.7	Services for older individuals who are blind
9	TANF				TBD	Added funding available if caseload increases. Confirming status of match.

10	Food Stamp Administration				--	Estimated \$6.8 M available over 2 years. Researching whether or not it requires state match.
11	Food Stamp Benefits (SNAP)				--	Not typically counted as state expenditure. 13% increase is \$118.8M on an annual basis.
12	Homelessness Prevention Emergency Shelter Grant				22.2	<ul style="list-style-type: none"> • Short-term Rental Assistance, Housing Relocation and Stabilization Services. • Confirming supplanting status. • Prior to reductions, DES spent \$1.2M on Homeless.
13	Emergency Food (TEFAP)				1.9	Provides commodities and congregate meals through regional food banks.
14	Community Service for Older Americans				1.3	<ul style="list-style-type: none"> • Part-time work training for unemployed low income persons older than 55. • Confirming supplanting status.
15	Unemployment Insurance Benefits				--	\$25 temporary weekly increase, 100% federally funded, would result in about \$84 million annually.
16	Unemployment Insurance Enhancements				--	<ul style="list-style-type: none"> • 1/3 of funding (about \$46 M) available if change wage calculation. • 2/3 (about \$92 M) available for meeting 2 of 4 provisions: part-time work, compelling family reasons, enrollment in a training program, and providing a dependent allowance. • DES already has compelling family reasons exception. • These would require a change in state law. • Have requested information from DES on UI tax rate impact
17	Unemployment Insurance State Administration Grants				10.4	No current DES GF expenditures on this and following 4 employment programs.
18	Employment Service				6.9	For re-employment services for UI claimants.
19	Workforce Investment - Adult				7.7	Not subject to state appropriation.
20	Workforce Investment - Youth				18.0	Program grants for summer jobs up to the age of 24. Not subject to state appropriation.
21	Dislocated Workers				18.5	Not subject to state appropriation.
	DES Subtotal				205.7	

**Arizona Department of Education
Total Funds FY 2005 - FY 2009**



K-12 Operating

FY 2010 Formula Growth is \$26 M *

\$ in M

\$94	– 1.6% enrollment growth
8	– 2% inflation (Limited base)
(33)	– Base adjustment for prior year ADM savings
(177)	– 11% property growth
135	– TNT offset 8.0% existing property growth
<u>(1)</u>	– Endowment earnings
\$26	Total

* Not including potential \$(17.5) M technical revision from TNT memo

Continues '09 JTED State Aid Cap
Assumes Continued Repeal of Equalization Tax

General Fund

Detailed List of Budget Options by Agency

	Revised FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
ADE - Arizona Department of Education	\$4,007,927,700			
ADE - Formula Changes		25,709,000		
ADE - Rollover		330,886,200		
ADE - Operating Lump Sum Suspension/Reduction				(3,806,000)
ADE - Salary Lump Sum				(692,400)
ADE - FY 09 Annualization				(530,000)
ADE - District, JTED, TAPBI Reduction				?
ADE - District Lump Sum Suspension/Reduction				(220,000,000)
ADE - Aggregate Expenditure Limit				(98,198,000)
ADE - TAPBI Growth Funded at 85%				(1,590,000)
ADE - Career Ladder Phase Out				(5,268,100)
ADE - Phase Out Teacher Experience Index				(7,302,100)
ADE - Desegregation Hard Cap				(797,900)
ADE - Soft Capital Suspension				(197,924,500)
ADE - Eliminate Full Day Kindergarten				(218,298,300)
ADE - No Early Kindergarten				(11,200,000)
ADE - Rollback FY 07 Gifted Education Increase				(2,000,000)
ADE - Eliminate GPLET				(4,000,000)
ADE - Homeowner's Rebate - Property Tax Reform				(48,317,800)
ADE - State Aid Reduction for School Districts with Above Average Administrative Costs				(39,516,100)
ADE - Eliminate Early Graduation Scholarship Program				(4,682,800)
ADE - Reduce Charter Additional Assistance				?
ADE - Eliminate Vocational Education Extended Year Program				(600,000)

FUND TRANSFERS				
ADE - Arizona Department of Education				
ADE - Internal Services FRAT				(471,100)
ADE - Production Revolving FRAT				(217,000)

Other Funds

Detailed List of Budget Options by Agency *

	Revised OF FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
ADE - Arizona Department of Education	54,714,800			
ADE - Salary Lump Sum - Teacher Certification Fund				(108,600)
ADE - Endowment Earnings		1,254,800		

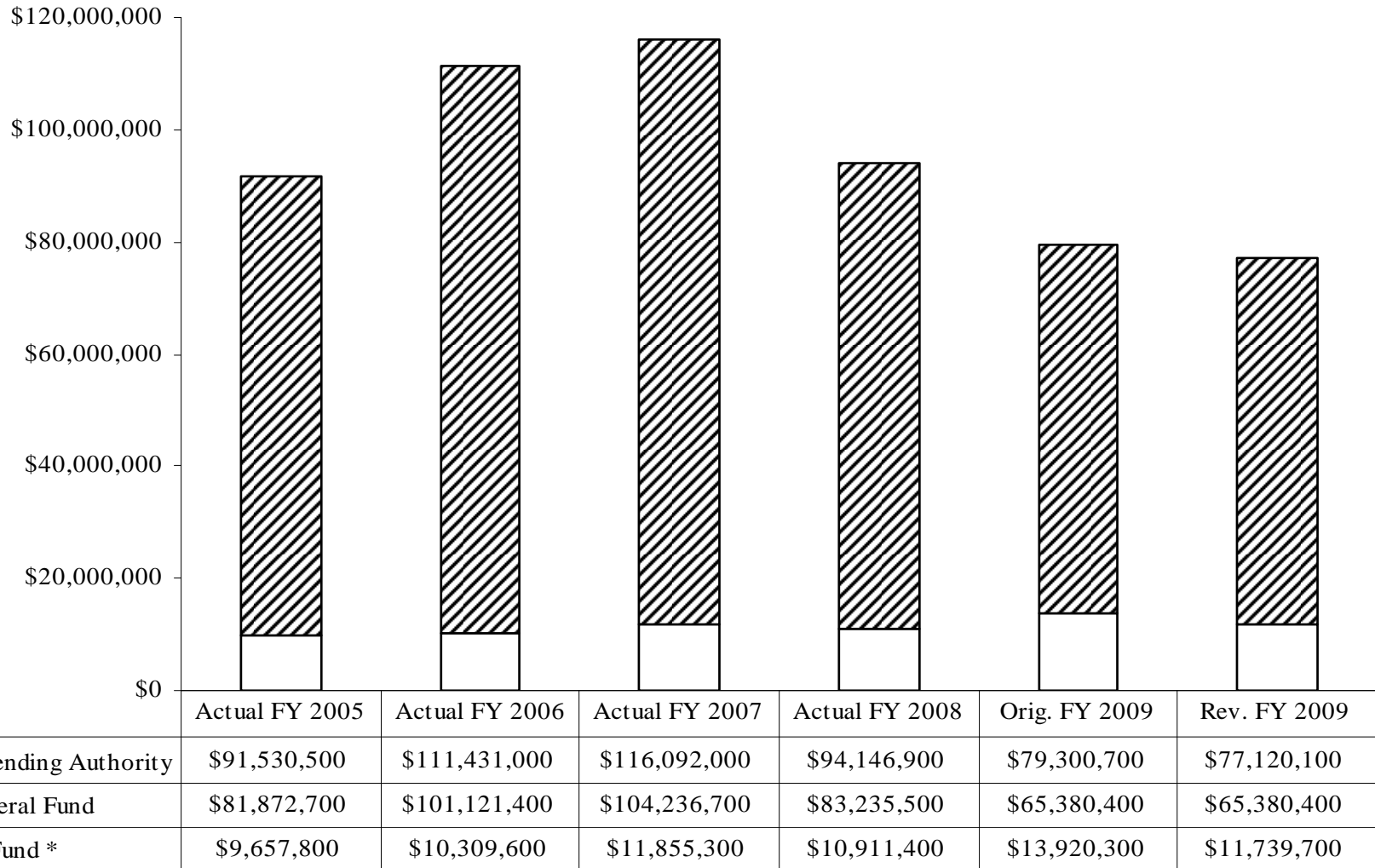
Proposed Budget Reconciliation Bill and Footnote Changes

- Permanently authorize ADM audits
- Repeal new excess utilities funding formula
- Prohibit 8th and 9th graders from taking JTED courses
- Repeal the State Equalization Tax Rate
- Repeal the new teacher performance pay formula

Department of Emergency and Military Affairs

- Prepares and coordinates the state emergency response plans
- Operates the Arizona National Guard
- Administers the Project Challenge program for at-risk youths

Department of Emergency and Military Affairs
Total Funds FY 2005 - FY 2009



□ General Fund * ▨ Non-General Fund

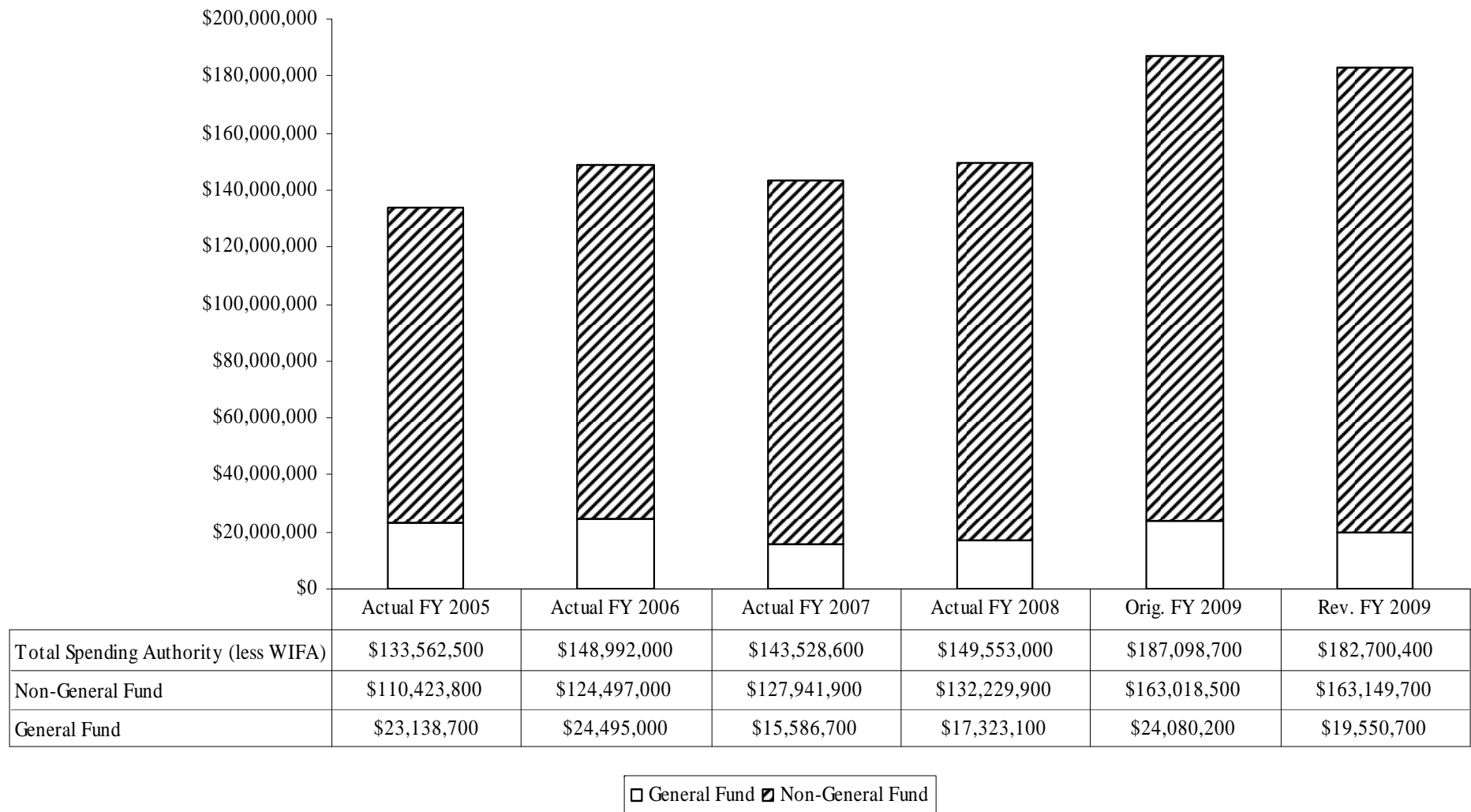
General Fund
Detailed List of Budget Options by Agency - Budget Plan w/Floor Amendments

	Enacted FY 2009	09 Budget Plan	09 Budget Plan Subtotal		10 JLBC Baseline	10 Options	Pg#
OPERATING SPENDING CHANGES							
EMA - Department of Emergency & Military Affairs	13,920,300						
EMA - Lump Sum Suspension/Reduction		(1,309,200)				(2,005,200)	97
EMA - Salary Lump Sum		(165,800)				(398,600)	
EMA - Nuclear Emergency Management Fund					(828,000)		
EMA - Eliminate 2-1-1 Services Funding		(43,400)				(104,200)	98
			(\$1,518,400)				

Department of Environmental Quality

- Air Programs
 - Issues Industrial Air Quality Permits
 - Provides Vehicle Emissions Testing
- Waste Programs
 - Regulates Landfills
 - Monitors and Cleans Underground Storage Tanks
 - Addresses Hazardous Waste Site Using the Water Quality Assurance Revolving Fund (WQARF)
- Water Programs
 - Regulates Drinking and Waste Water Systems
- Water Infrastructure Financing Authority (WIFA)
 - Helps communities finance water treatment systems

**Department of Environmental Quality
Total Funds FY 2005 - FY 2009***



*Excludes funding for Water Infrastructure Finance Authority.

General Fund
Detailed List of Budget Options by Agency - Enacted Budget Revision Plan

	Original FY 2009	09 Budget Plan Total	09 Budget Plan Subtotal		10 JLBC Baseline	BL Pg#	10 Options	CO Pg#	10 Options Agy Subtotal
OPERATING SPENDING CHANGES									
DEQ - Department of Environmental Quality	24,080,200					205			
DEQ - Lump Sum Suspension/Reduction		(2,000,000)					(3,000,000)	100	
DEQ - Salary Lump Sum		(305,700)					(734,800)		
DEQ - Eliminate Travel Reduction Plan		(1,500,000)					(1,676,900)	101	
DEQ - Eliminate AZ Pollutant Discharge Elimination System		0					(1,524,700)	102	
DEQ - WQARF		0					(3,000,000)	103	
DEQ - Hazardous Waste Control & Management		(588,300)					(588,300)	104	
			(4,394,000)						(10,524,700)
FUND TRANSFERS									
DEQ - Department of Environmental Quality									
DEQ - Air Permits Administration EBT		(2,588,400)					(1,498,500)	317	
DEQ - Air Quality FRAT		(317,400)					(522,800)	317	
DEQ - Air Quality EBT		(6,931,500)					(2,113,100)	317	
DEQ - Emissions Inspection EBT		(5,600,000)					(2,800,000)	317	
DEQ - Indirect Cost Recovery FRAT		(637,400)					(1,074,800)	317	
DEQ - Indirect Cost Recovery EBT		(2,761,500)					(2,616,600)	317	
DEQ - Monitoring Assistance FRAT		(37,000)					(74,100)	317	
DEQ - Monitoring Assistance EBT		(449,100)					(179,100)	317	
DEQ - Recycling FRAT		(116,300)					(232,600)	317	
DEQ - Recycling EBT		(390,800)					(275,000)	317	
DEQ - Solid Waste Fee FRAT		(75,200)					(200,900)	317	
DEQ - Underground Storage Tank Revolving FRAT		(1,910,600)					(3,821,100)	317	
DEQ - Underground Storage Tank Revolving EBT		(495,900)					0	317	
DEQ - Voluntary Vehicle Repair & Retrofit Program FRAT		(52,300)					(104,600)	317	
DEQ - Voluntary Vehicle Repair & Retrofit Program EBT		(530,600)					(242,300)	317	
DEQ - Water Quality Assurance Revolving EBT		(8,900,000)							
DEQ - Water Quality Fee EBT		(500,000)					(733,000)	317	
DEQ - Greenfields Program EBT		(165,000)					(100,000)	317	
			(32,459,000)						(16,588,500)

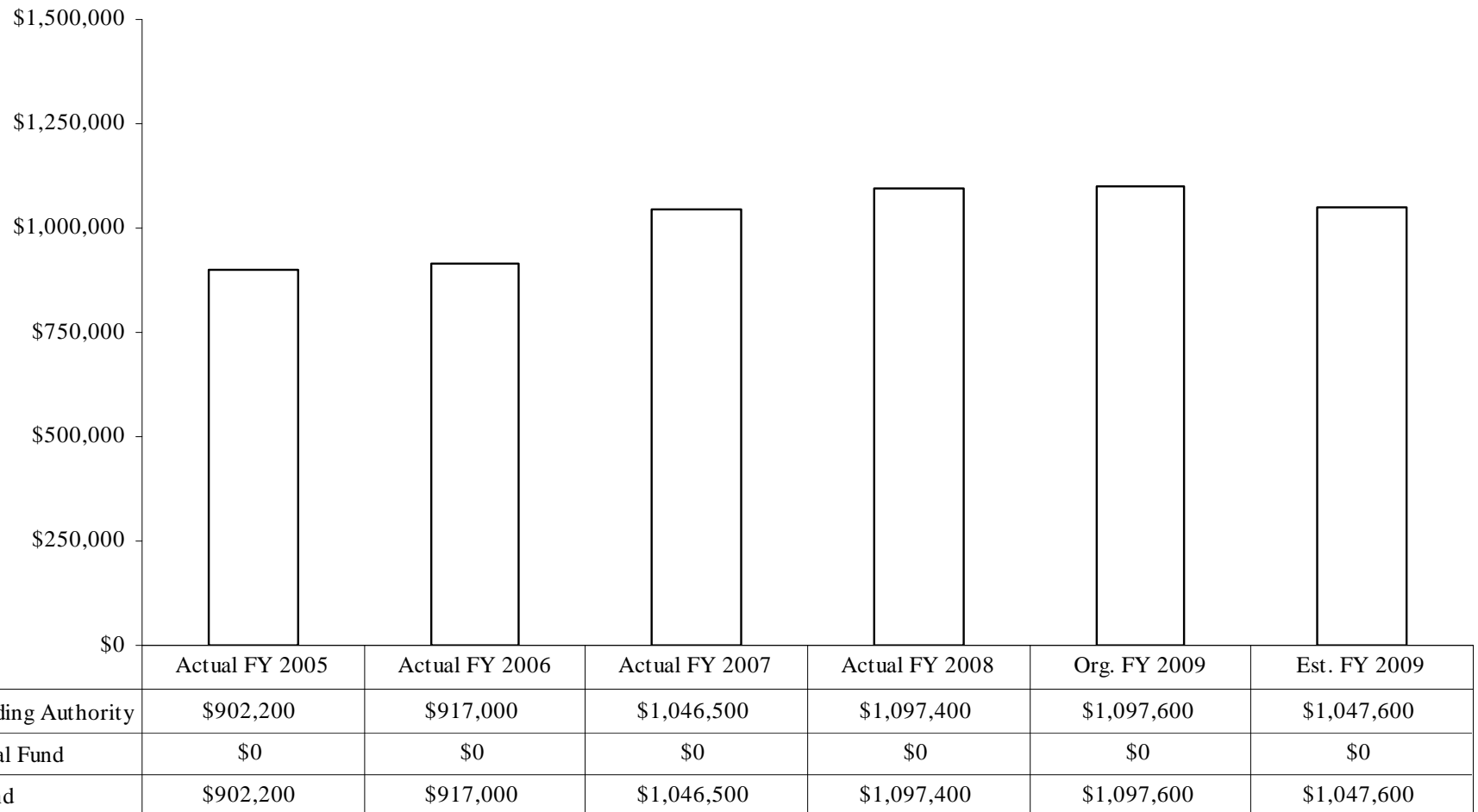
Other Funds
Detailed List of Budget Options by Agency

	Original FY 2009	09 Budget Plan Total	09 Budget Plan Agy Subtotal		10 JLBC Baseline	BL Pg#	10 Options	CO Pg#	10 Options Agy Subtotal
DEQ - Department of Environmental Quality	77,109,400					205			
DEQ - Hazardous Waste Backfill (Air Quality Fund)		588,300							
DEQ - Air Quality FRAT		(317,400)					(522,800)	336	
DEQ - Indirect Cost Recovery FRAT		(637,400)					(1,074,800)	336	
DEQ - Recycling FRAT		(116,300)					(232,600)	336	
DEQ - Solid Waste Fee FRAT		(75,200)					(200,900)	336	
DEQ - Underground Storage Tank Revolving FRAT		(1,910,600)					(3,821,100)	336	
			(2,468,600)						(5,852,200)

Board of Executive Clemency

- Conducts parole hearings for inmates who have committed offenses prior to January 1994
 - Conducts parole hearings each month
 - Grants parole, work furlough, home arrest, and absolute discharge for eligible inmates
- Conducts clemency hearings which include commutation, pardon, and reprieve
- Notifies victims and officials of hearings and the results of those hearings

**Board of Executive Clemency
Total Funds FY 2005 - FY 2009**



□ General Fund ■ Non-General Fund

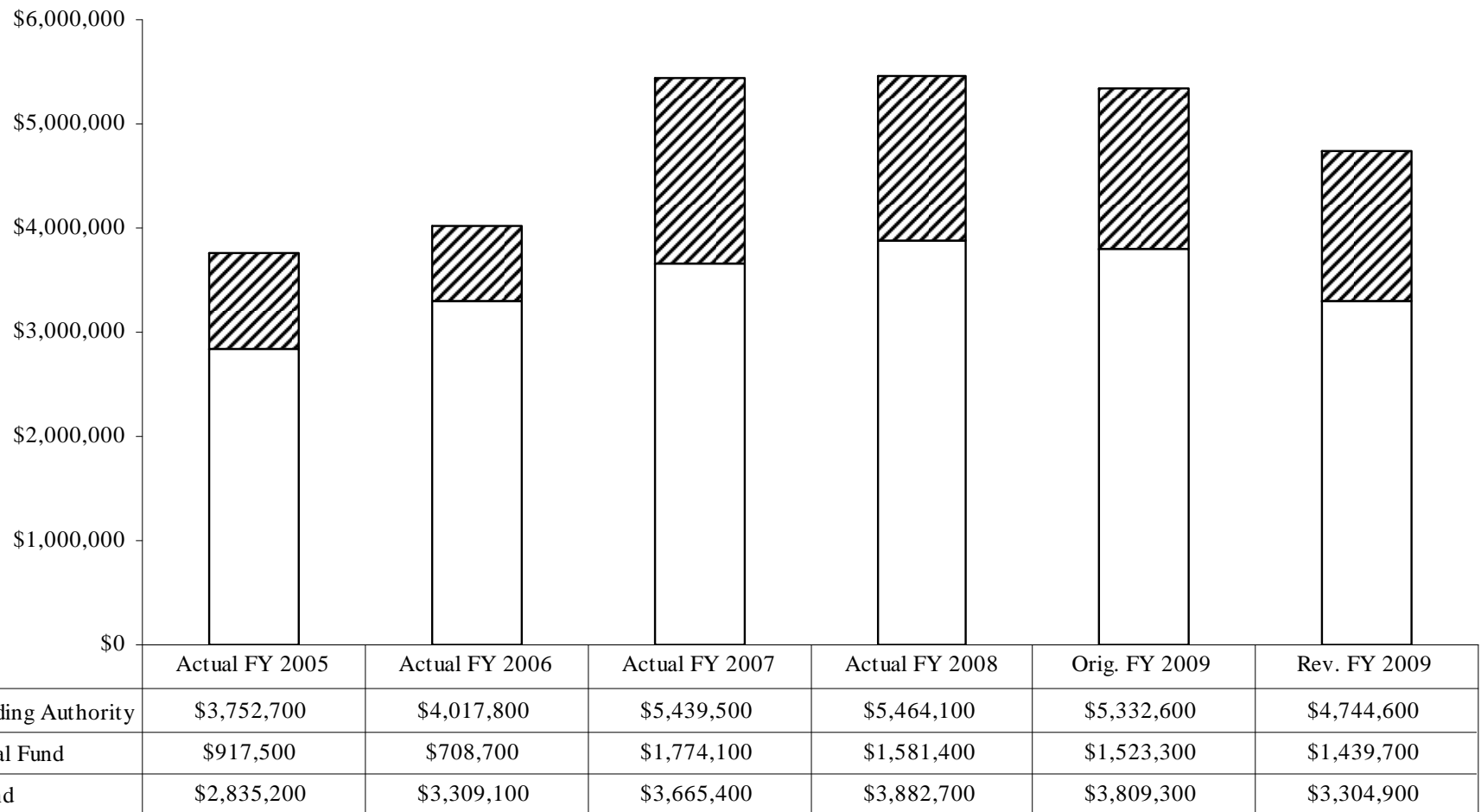
**General Fund
Detailed List of Budget Options by Agency**

	Original FY 2009	09 Budget Plan	09 Budget Plan Subtotal		10 JLBC Baseline	10 Options	Pg#
OPERATING SPENDING CHANGES							
EXE - Board of Executive Clemency	1,097,600						
EXE - Lump Sum Suspension/Reduction		(50,000)				(164,700)	110
EXE - Salary Lump Sum		0				(75,700)	
			(\$50,000)				

Department of Financial Institutions

- Regulates state-chartered financial service companies
 - Administers charters, licenses, and registrations
 - Periodically examines regulated companies
 - Takes failing companies into receivership

**State Department of Financial Institutions
Total Funds FY 2005 - FY 2009**



□ General Fund ▨ Non-General Fund

General Fund

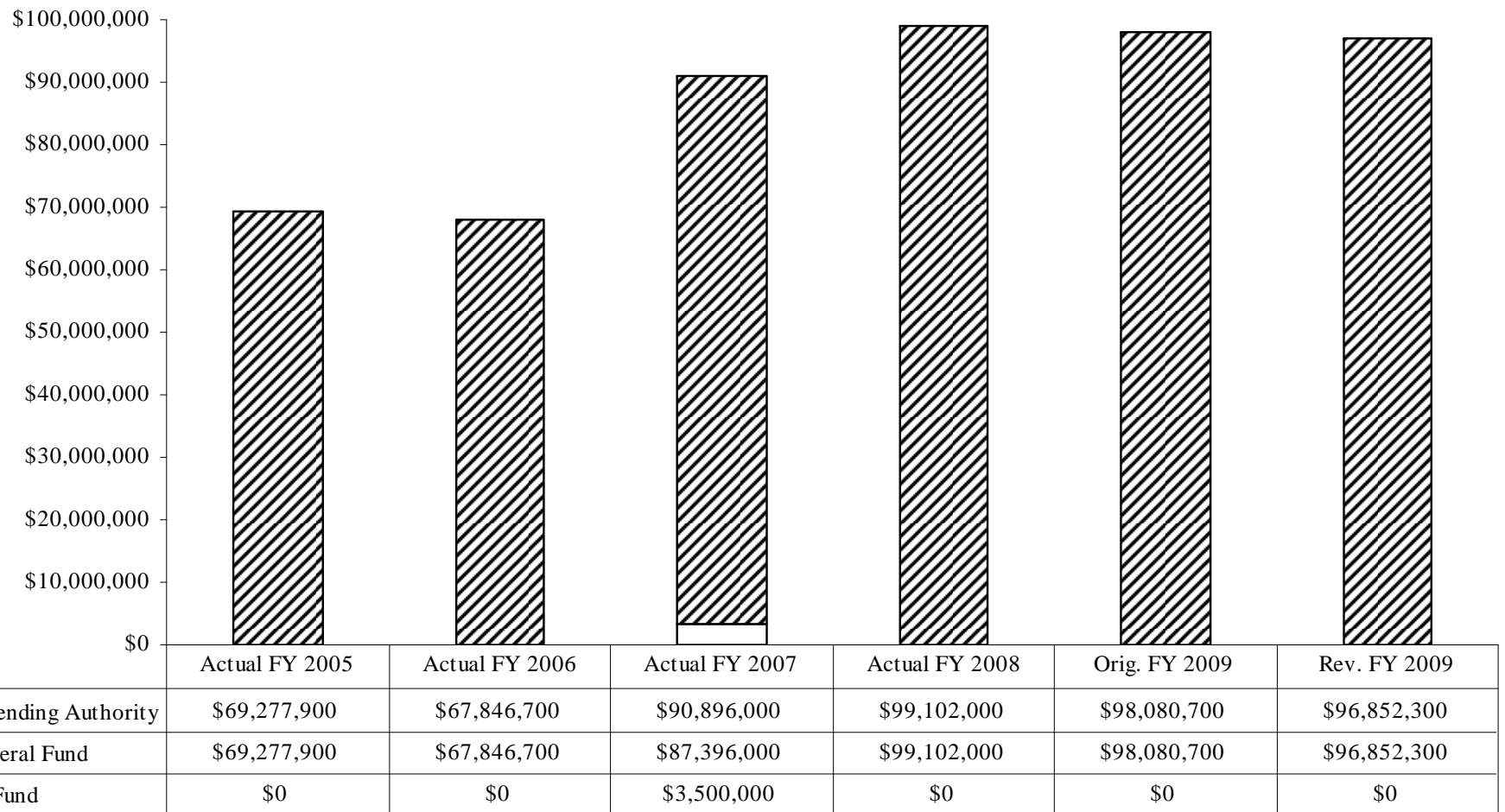
Detailed List of Budget Options by Agency

	Revised FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
DFI - Dept of Financial Institutions	\$3,304,900		225	
DFI - Lump Sum Suspension/Reduction				(190,500)
DFI - Salary Lump Sum				(173,300)
FUND TRANSFERS				
DFI - Dept of Financial Institutions				
DFI - Arizona Escrow Guaranty EBT				(1,017,500)
DFI - Revolving FRAT				(120,900)
DFI - Receivership Revolving EBT				(586,800)

Arizona Game and Fish Department

- Manages Arizona wildlife populations
 - Operates hunting and fishing license programs
 - Takes enforcement actions for the unlawful taking of game
 - Protects and develops wildlife habitats
- Responsible for law enforcement, education and training related to off-highway vehicles
- Coordinates watercraft law enforcement and boating safety for the state

**Arizona Game and Fish Department
Total Funds FY 2005 - FY 2009**



□ General Fund ▨ Non-General Fund

General Fund
Detailed List of Budget Options by Agency

	Revised FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
FUND TRANSFERS				
FIS - Arizona Game and Fish Department				
FIS - Off-Highway Vehicle Recreation FRAT				(74,200)
FIS - Watercraft Licensing FRAT				(570,800)
FIS - Watercraft Licensing EBT				(265,600)
FIS - Watercraft Licensing Boating Safety Grant Fund Transfer				(450,000)
FIS - Watercraft Licensing OUI Fund Transfer				(1,000,000)

Other Funds

Detailed List of Budget Options by Agency *

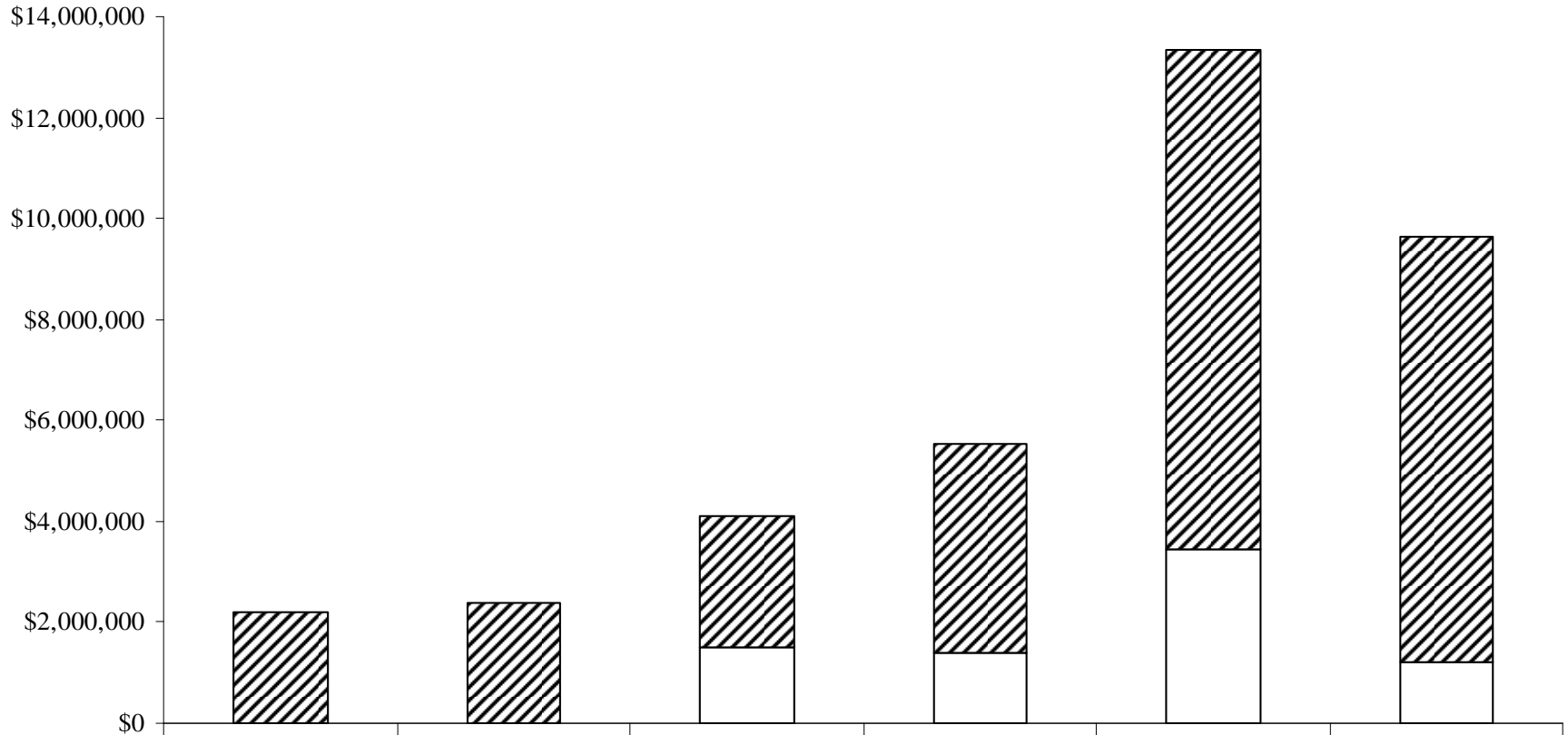
	Revised OF FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
FIS - Arizona Game and Fish Department	34,570,100		231	
FIS - One-time Reductions		(673,300)		
FIS - Motor Pool		(234,300)		
FIS - Grasslands Restoration		350,700		
FIS - Angler Recruitment & Retention		40,000		
FIS - Video Editing Equipment		100,000		
FIS - Cooperative Research		10,000		
FIS - Headquarters Lease-Purchase		80,000		
FIS - Urban Fishing Program		135,900		
FIS - Point of Sale System		200,000		
FIS - State Match Increase		1,000,000		
FIS - Bighorn sheep Restoration Project				49,500
FIS - KOFA Bighorn Sheep				78,000
FIS - Mogollon Rim Projects				200,000
FIS - Canyon Creek Riparian Project				100,000
FIS - Ben Avery Master Plan				580,000
FIS - Shooting Range Safety Projects				150,000
FIS - Landowner Relations				125,000
FIS - Long-Term Access Projects				125,000
FIS - Purchasing System Software				407,800
FIS - GIS Licensing Maintenance				37,500
FIS - Environmental Review Tool				90,000
FIS - Leadership Practices Inventory				75,000
FIS - Predator Control				24,000
FIS - Hunting Awareness Program				25,000
FIS - Sportsmen's Club Grant Program				25,000
FIS - Lapsed Angler Marketing Program				50,000
FIS - OOE Increase				87,100
FIS - Salary Lump Sum				(66,700)

* Not duplicated from Fund Transfer Section

Government Information Technology Agency

- Provides planning and oversight of Information Technology projects for state agencies – (*Information Technology Fund*)
- State Web Portal – (*State Web Portal Fund*)
- Statewide Information Security and Privacy Office (SISPO) – (*Information Technology Fund*)
- Public Safety Communications Program – (*General Fund*)

**Government Information Technology Agency
Total Funds FY 2005 - FY 2009**



	Actual FY 2005	Actual FY 2006	Actual FY 2007	Actual FY 2008	Orig. FY 2009	Rev. FY 2009
Total Spending Authority	\$2,212,800	\$2,393,900	\$4,110,900	\$5,541,900	\$13,322,600	\$9,621,700
Non-General Fund	\$2,212,800	\$2,393,900	\$2,610,900	\$4,142,000	\$9,866,900	\$8,403,200
General Fund	\$-	\$-	\$1,500,000	\$1,399,900	\$3,455,700	\$1,218,500

□ General Fund ▨ Non-General Fund

General Fund

Detailed List of Budget Options by Agency

	Revised FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
GTA - Government Information Technology Agy	\$1,228,500		118	
GTA- Salary Lump Sum				(46,800)
GTA - FY 09 Annualization				(425,300)
FUND TRANSFERS				
GTA - Government Information Technology Agy				
GTA - Information Technology FRAT				(368,300)
GTA - Information Technology EBT				(219,200)
GTA - State Web Portal Fund Transfer				(3,100,000)

Other Funds

Detailed List of Budget Options by Agency *

	Revised OF FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
GTA - Government Information Technology Agy	8,396,000		244	
GTA - Salary Lump Sum				(145,400)

* Not duplicated from Fund Transfer Section

Proposed Budget Reconciliation Bill Change

Require all revenues from the State Web Portal to be deposited in the State Web Portal Fund

Arizona Department of Homeland Security

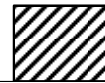
- Receives, distributes, and monitors all Federal Homeland Security Grants.
- The Office of Homeland Security was created by Executive Order in 2003 to operate under DEMA.
- Laws 2006, Chapter 317 created the Arizona Department of Homeland Security

In FFY 2008 AZ Received \$50.5 M Through 12 Grant Programs Administered by AZDOHS

- AZDOHS administers 12 grant programs, of which the largest are:
 - Urban Area Security Initiative (UASI) – provides financial assistance to high-threat areas designated by the U.S. Department of Homeland Security. Funds are used for training, exercises, and equipment. Arizona received \$16.7 million in FFY 2008
 - State Homeland Security Grant Program (SHSGP) – provides state and local grants for equipment and training to respond to terrorist threats. Arizona received \$13.4 million in FFY 2008
 - Emergency Management Performance Grant (EMP) – provides funding for comprehensive national and regional emergency management planning. Arizona received \$5.8 million in FFY 2008

**Arizona Department of Homeland Security
Total Funds FY 2005 - FY 2009**

\$50,000,000
\$40,000,000
\$30,000,000
\$20,000,000
\$10,000,000
\$0



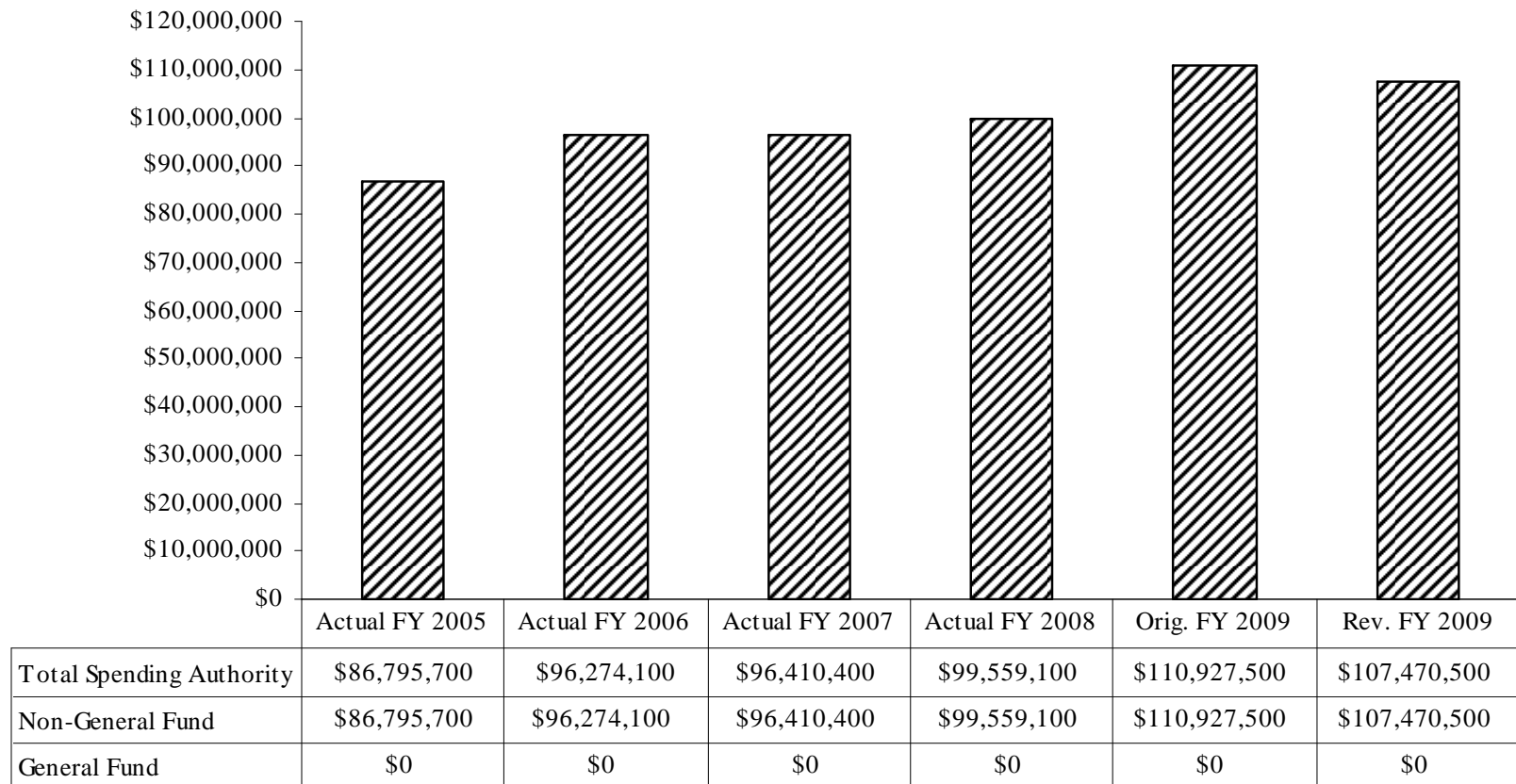
	Actual FY 2005	Actual FY 2006	Actual FY 2007	Actual FY 2008	Orig. FY 2009	Rev. FY 2009
Total Spending Authority	\$0	\$0	\$6,338,200	\$20,134,300	\$46,685,400	\$46,685,400
Non-General Fund	\$0	\$0	\$6,338,200	\$20,134,300	\$46,685,400	\$46,685,400
General Fund	\$0	\$0	\$0	\$0	\$0	\$0

□ General Fund ▨ Non-General Fund

Department of Housing

- No General Fund support
- Provides affordable housing for low-income, homeless, and special needs individuals
- Administers \$101 million in federal and other housing and community development funds.
- Funds the Arizona Housing Finance Authority

**Department of Housing
Total Funds FY 2005 - FY 2009**



□ General Fund ▣ Non-General Fund

General Fund
Detailed List of Budget Options by Agency

	Revised FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
FUND TRANSFERS				
HOU - Department of Housing				
HOU - Housing Program FRAT				(459,100)
HOU - Housing Program EBT				(1,818,400)
HOU - Housing Trust FRAT				(3,866,600)

Other Funds
Detailed List of Budget Options by Agency *

	Revised OF FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
HOU - Department of Housing	911,300		289	
HOU - Salary Lump Sum				(46,300)

* Not duplicated from Fund Transfer Section

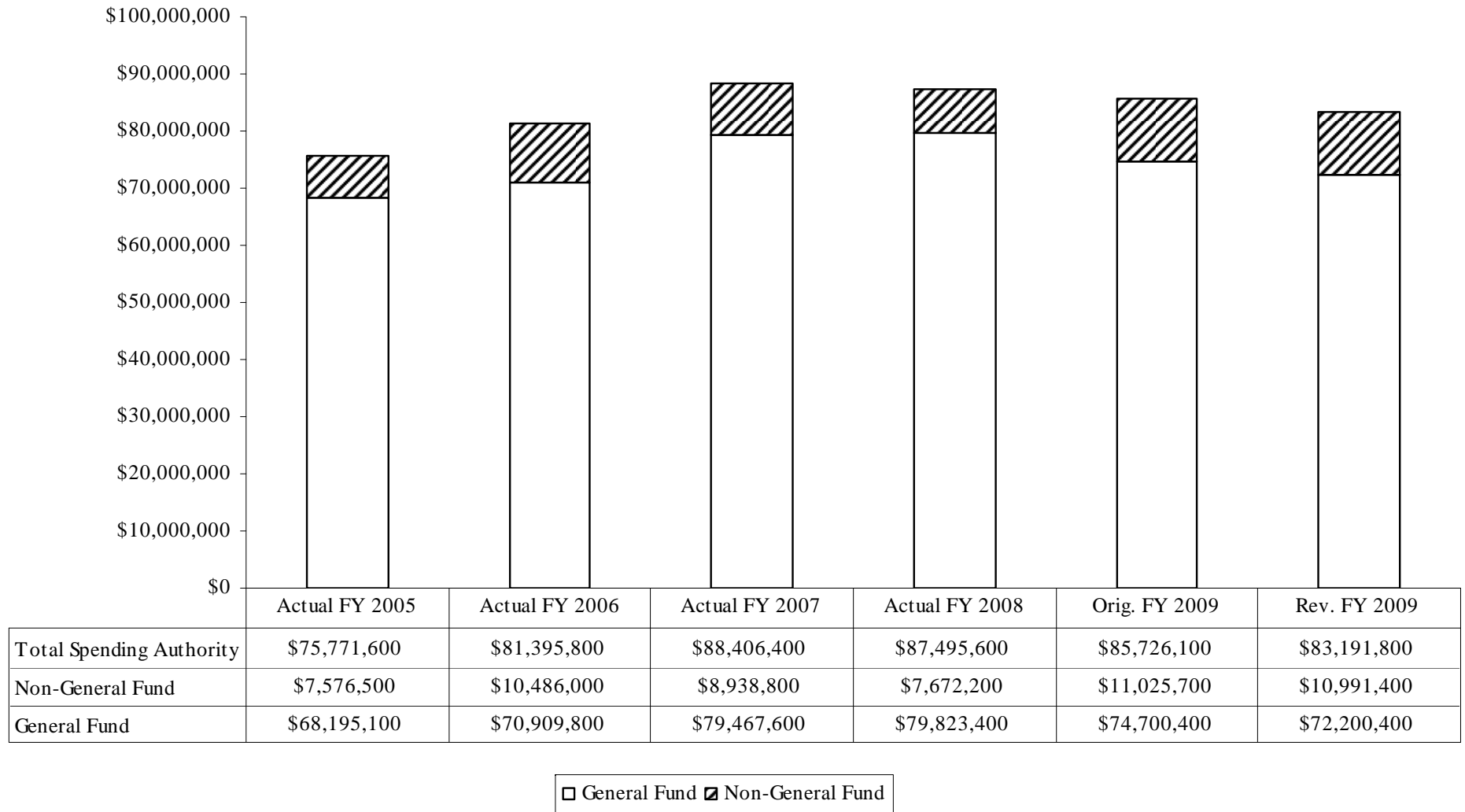
Federal Assistance in American Recovery and Reinvestment Act

- **HOME Investment Partnerships Program** – \$32.3 million for gap financing for rental projects that receive their primary financing through the federal low-income tax credit program. Up to 1% can be used for administrative costs. There is a 25% match requirement.
- **Neighborhood Stabilization Program** – An undetermined amount to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes. Up to 10% can be used for administration. It is unclear what the matching requirement will be.
- **Community Development Block Grant Program** – \$14.7 million for affordable housing, anti-poverty, and infrastructure development programs. The administrative allocation and match requirements are unknown.
- **Allocation of Unused Low-Income Tax Credits** – \$40.0 - \$50.0 million to convert the department's tax credit authority to cash to fill funding gaps for other projects. The administration of the program is derived from fees charged by the department.

Department of Juvenile Corrections

- Responsible for the care of juvenile youth offenders adjudicated to be delinquent
 - Manages state's secure juvenile facilities
 - Average FY 09 juvenile population is 611
 - Responsible for rehabilitation, treatment, and education of juvenile offenders
 - Assists communities with the reintegration of youths into the community

Department of Juvenile Corrections
Total Funds FY 2005 - FY 2009



General Fund
Detailed List of Budget Options by Agency

	Original FY 2009	09 Budget Plan	09 Budget Plan Subtotal		10 JLBC Baseline	10 Options	Pg#
OPERATING SPENDING CHANGES							
DJC - Department of Juvenile Corrections	74,700,400						
DJC - Lump Sum Suspension/Reduction		(2,500,000)				(3,750,000)	153
			(\$2,500,000)				
FUND TRANSFERS							
DJC - Department of Juvenile Corrections							
DJC - Criminal Justice Enhancement FRAT		(34,300)				(68,700)	349
DJC - Criminal Justice Enhancement EBT		(37,000)				0	349
DJC - Indirect Cost Recovery FRAT		(37,000)				0	349
			(108,300)				

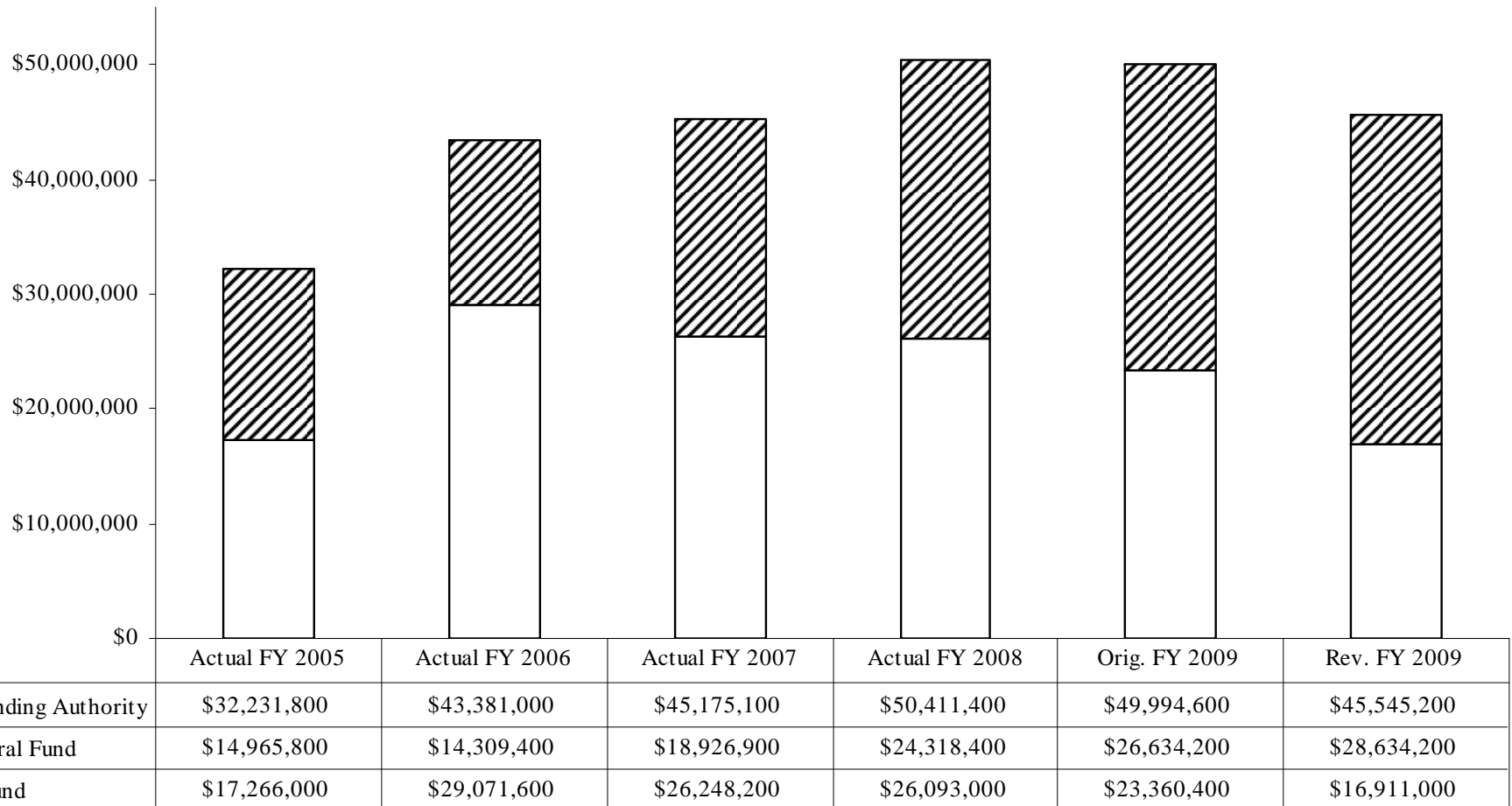
Other Funds
Detailed List of Budget Options by Agency

	Original FY 2009	09 Budget Plan	09 Budget Plan Agy Subtotal		10 JLBC Baseline	10 Options	Pg#
OPERATING SPENDING CHANGES							
DJC - Department of Juvenile Corrections	7,670,000						
DJC - Criminal Justice Enhancement FRAT		(34,300)				(68,700)	367
			(34,300)				

State Land Department

- Manages 9.3 million acres of State Trust land
- Generates revenue by leasing and selling State Trust land
- Revenues primarily benefit K-12 education
- State Forester's Office responsible for preventing and suppressing wildfires

**State Land Department
Total Funds FY 2005 - FY 2009**



□ General Fund ▨ Non-General Fund

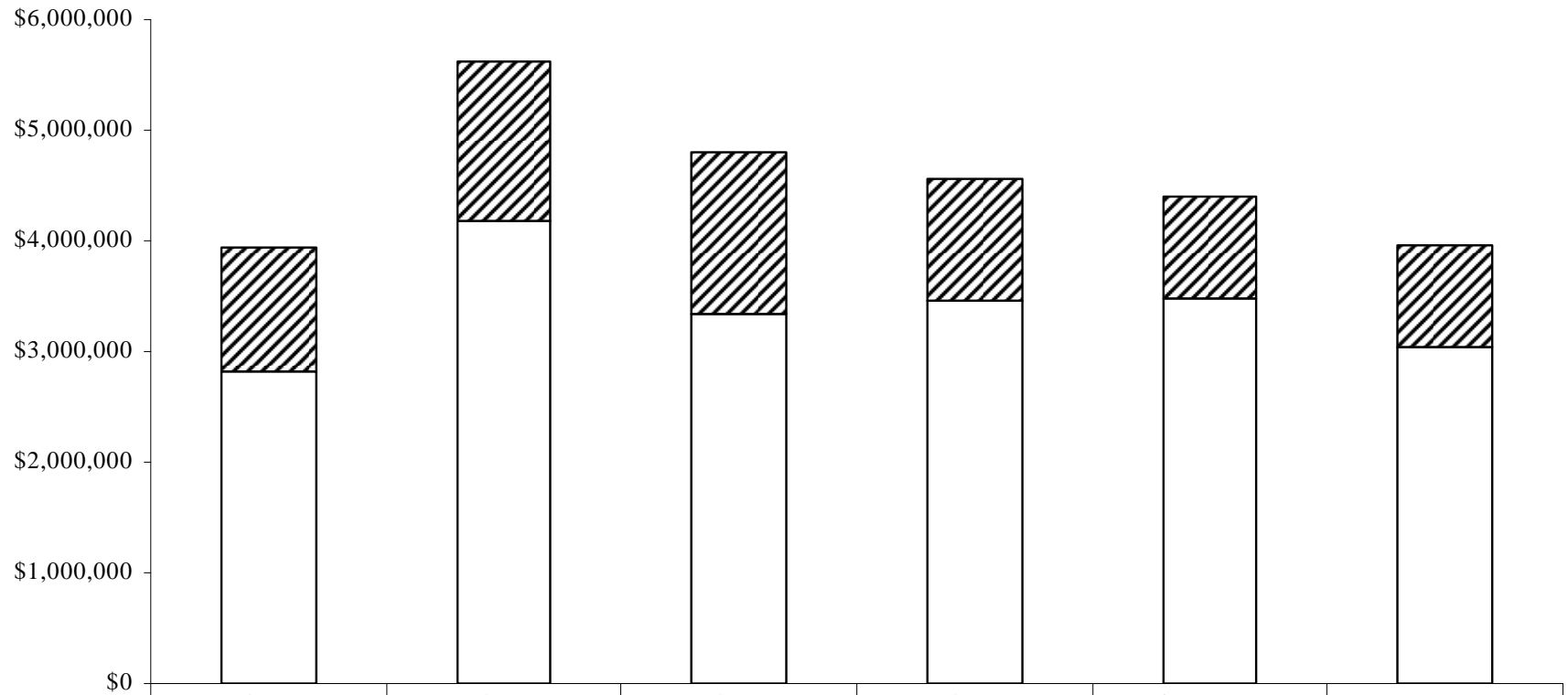
General Fund Detailed List of Budget Options by Agency

	Original FY 2009	09 Budget Plan	09 Budget Plan Subtotal		10 JLBC Baseline	10 Options	Pg#
OPERATING SPENDING CHANGES							
LAN - State Land Department	23,360,400						
LAN - Lump Sum Suspension/Reduction		(2,036,000)				(3,054,000)	155
LAN - Salary Lump Sum		(504,600)				(1,213,000)	
LAN - Trust Land Management Funding Reduction		(625,000)				(1,500,000)	156
LAN - Eliminate General Fund Natural Resources Conservation District Funding		(283,800)				(378,400)	157
LAN - Shift Fire Suppression to Heritage Fund		(3,000,000)				(3,000,000)	158
			(\$6,449,400)				
FUND TRANSFERS							
LAN - State Land Department							
LAN - Community Protection Fund Transfer		(940,200)				0	353
LAN - Fire Suppression FRAT		(1,000,000)				0	351
			(1,940,200)				

Department of Liquor Licenses and Control

- Licenses the sale and production of liquor
 - Licenses bars, restaurants, special events, and other various distributors
 - Licenses in-state and out-of-state producers
- Enforces Liquor Laws
 - Processes complaints, police reports, and civil violations regarding licensees
 - Investigates and, in collaboration with the Attorney General, prosecutes both criminal and civil allegations against licensees
- Educates underage youth in an effort to reduce underage drinking

**Department of Liquor Licenses and Control
Total Funds FY 2005 - FY 2009**



□ General Fund ▨ Non-General Fund

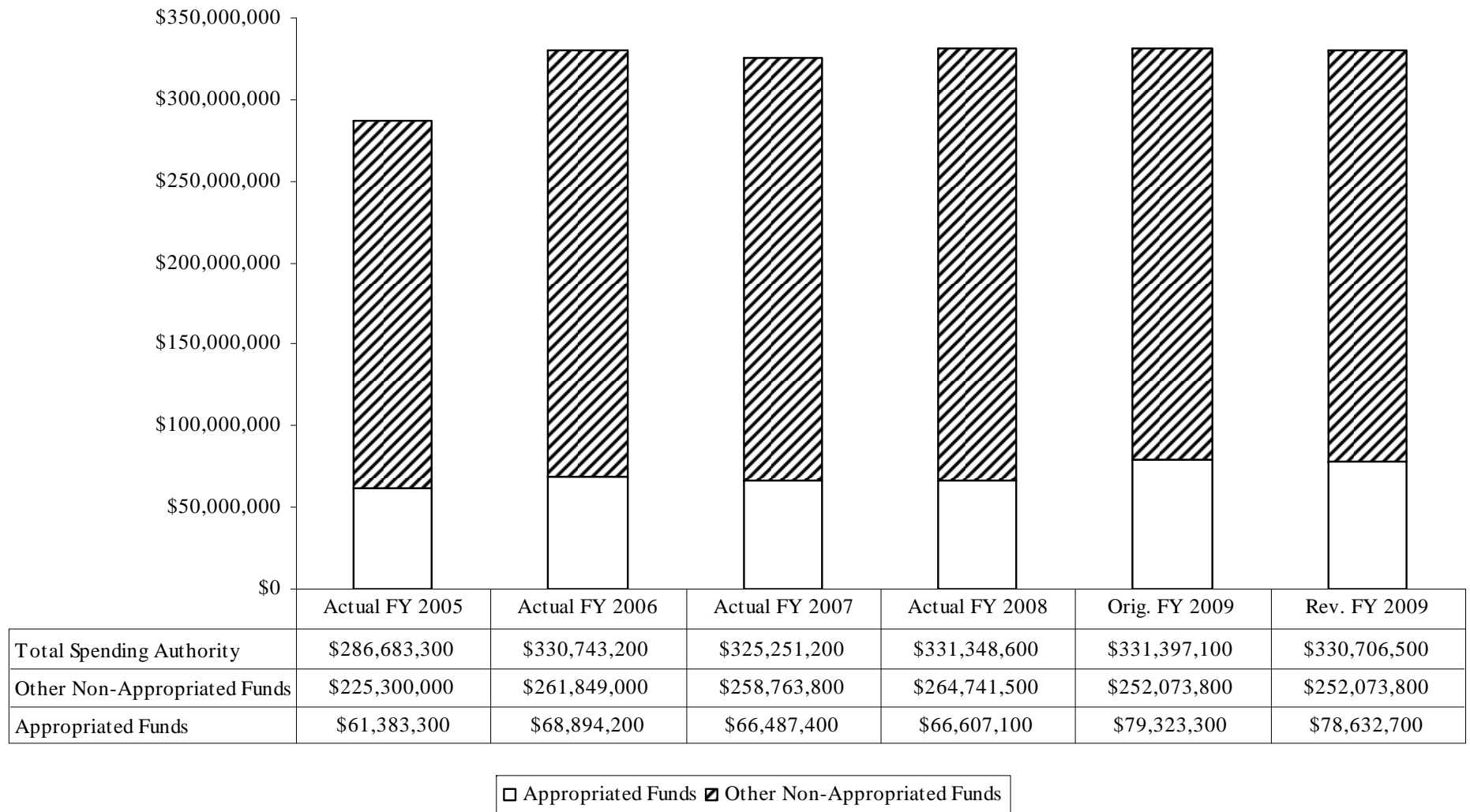
General Fund
Detailed List of Budget Options by Agency - Enacted Budget Revision Plan

	Original FY 2009	09 Budget Plan Total	09 Budget Plan Subtotal		10 JLBC Baseline	BL Pg#	10 Options	CO Pg#	10 Options Agy Subtotal
OPERATING SPENDING CHANGES									
LIQ - Department of Liquor Licenses & Control	3,474,800								
LIQ - Lump Sum Suspension/Reduction		(347,500)					(521,300)	168	
LIQ - Salary Lump Sum		(95,500)					(229,500)		
			(443,000)						(750,800)

Arizona State Lottery Commission

- The Lottery is responsible for administering sanctioned games of chance
 - Arizona-specific games include instant tickets, the Pick, Pick 3 and Pick-5 on-line games
 - Arizona also participates in the multi-state Powerball on-line game
- Lottery profits are used to fund a variety of beneficiaries such as health and welfare programs, transportation initiatives, counties and the state General Fund

**Arizona State Lottery Commission
Total Funds FY 2005 - FY 2009**



General Fund
Detailed List of Budget Options by Agency

	Revised FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
FUND TRANSFERS				
LOT - Arizona State Lottery Commission				
LOT - State Lottery FRAT				(799,700)
LOT - State Lottery EBT				(1,398,400)
LOT - State Lottery Advertising Fund Transfer				(9,162,700)

Other Funds
Detailed List of Budget Options by Agency *

	Revised OF FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
LOT - Arizona State Lottery Commission	78,632,700			
LOT - Sales-Related Costs		983,700	337	
LOT - Remove Performance Pay		(750,000)	338	
LOT - Agency Requested Reduction		(69,100)	338	
LOT - Salary Lump Sum				(345,000)

* Not duplicated from Fund Transfer Section

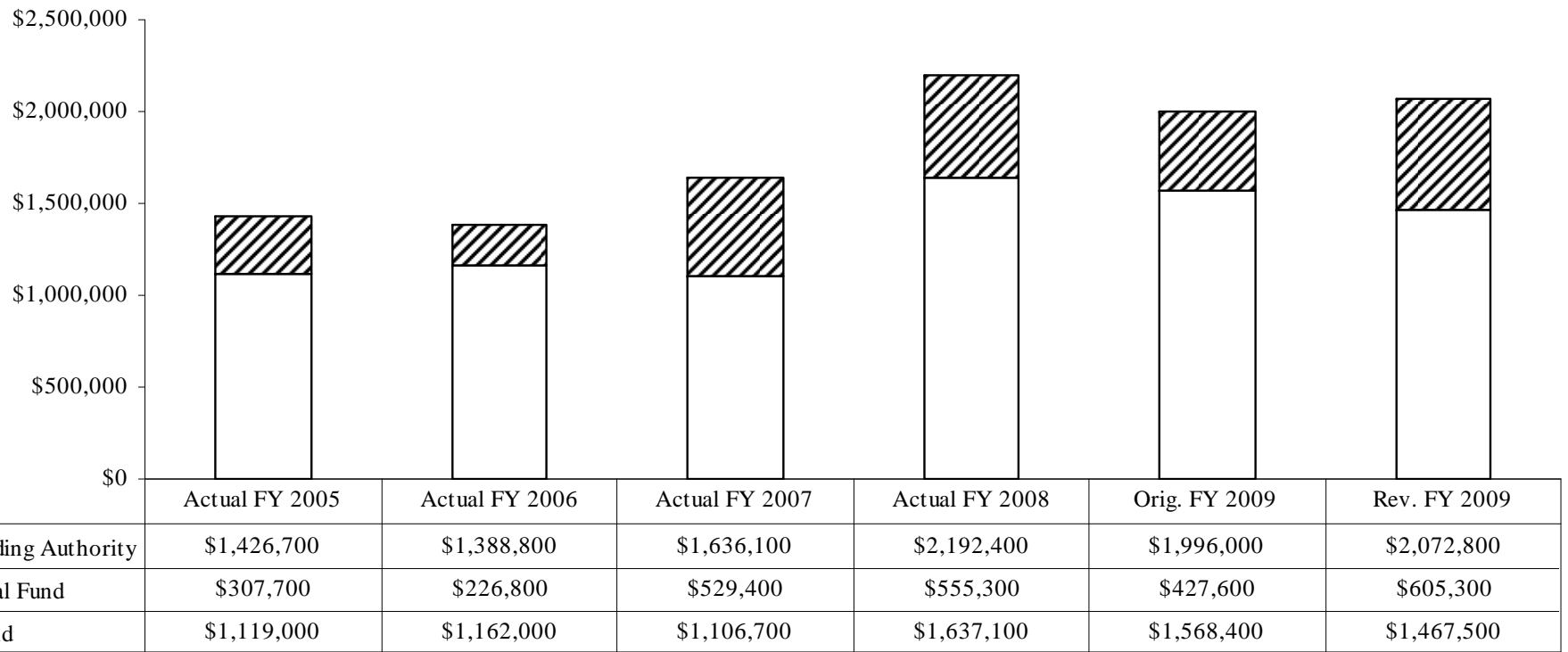
Proposed Budget Reconciliation Bill Changes

- Repeal the State Land Department's Community Protection Initiative Fund and the Department of Environmental Quality's Water Supply Development Fund Special Line Item from the list of recipients of State Lottery Fund monies
- Repeal the use of Lottery revenues for the debt service payments pursuant to ABOR's \$800 M bonding authority
- Require that the General Fund receive at least \$57 M from Lottery proceeds

State Mine Inspector

- Inspects the health and safety conditions of mining operations
- Investigates mining accidents
- Oversees the closure of abandoned mines and the reclaiming of closed surface mining operations
- Conducts federally required safety certification classes for mining employees

**State Mine Inspector
Total Funds FY 2005 - FY 2009**



□ General Fund ▨ Non-General Fund

General Fund
Detailed List of Budget Options by Agency

	Original FY 2009	09 Budget Plan	09 Budget Plan Subtotal		10 JLBC Baseline	10 Options	Pg#
OPERATING SPENDING CHANGES							
MIN - State Mine Inspector	1,568,400						
MIN - Lump Sum Suspension/Reduction		(62,400)				(225,000)	172
MIN - Salary Lump Sum		(38,500)				(92,600)	
			(100,900)				

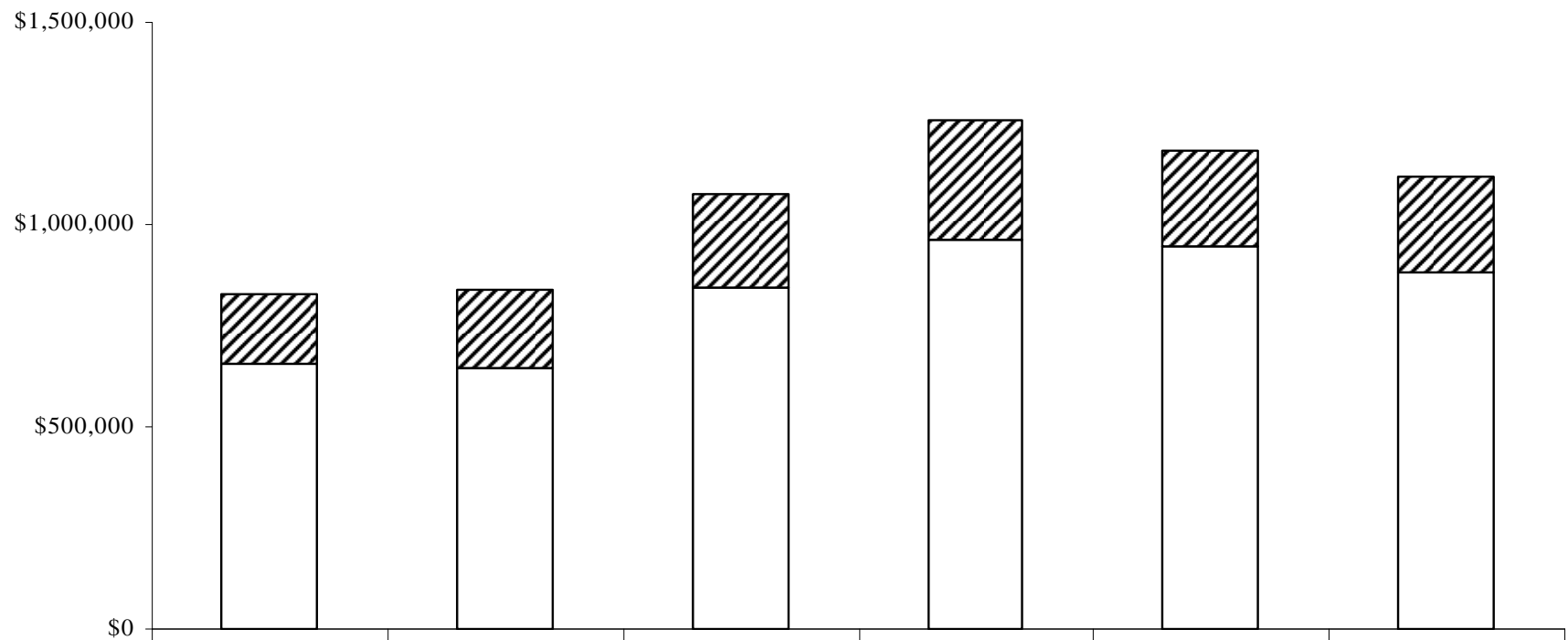
Other Funds
Detailed List of Budget Options by Agency

	Original FY 2009	09 Budget Plan	09 Budget Plan Agy Subtotal		10 JLBC Baseline	10 Options	Pg#
OPERATING SPENDING CHANGES							
MIN - State Mine Inspector	0						
MIN - Aggregate Mining Reclamation Fund		177,700			155,800		
			177,700				

Department of Mines and Mineral Resources

- Promotes the development of the state's mineral resources by providing technical and educational assistance to the mining and mineral industry
- Operates the Mining and Mineral Museum
- Acts as a repository for mineral specimens, ores, and gemstones found in the state

Department of Mines and Mineral Resources
Total Funds FY 2005 - FY 2009



□ General Fund ▨ Non-General Fund

General Fund

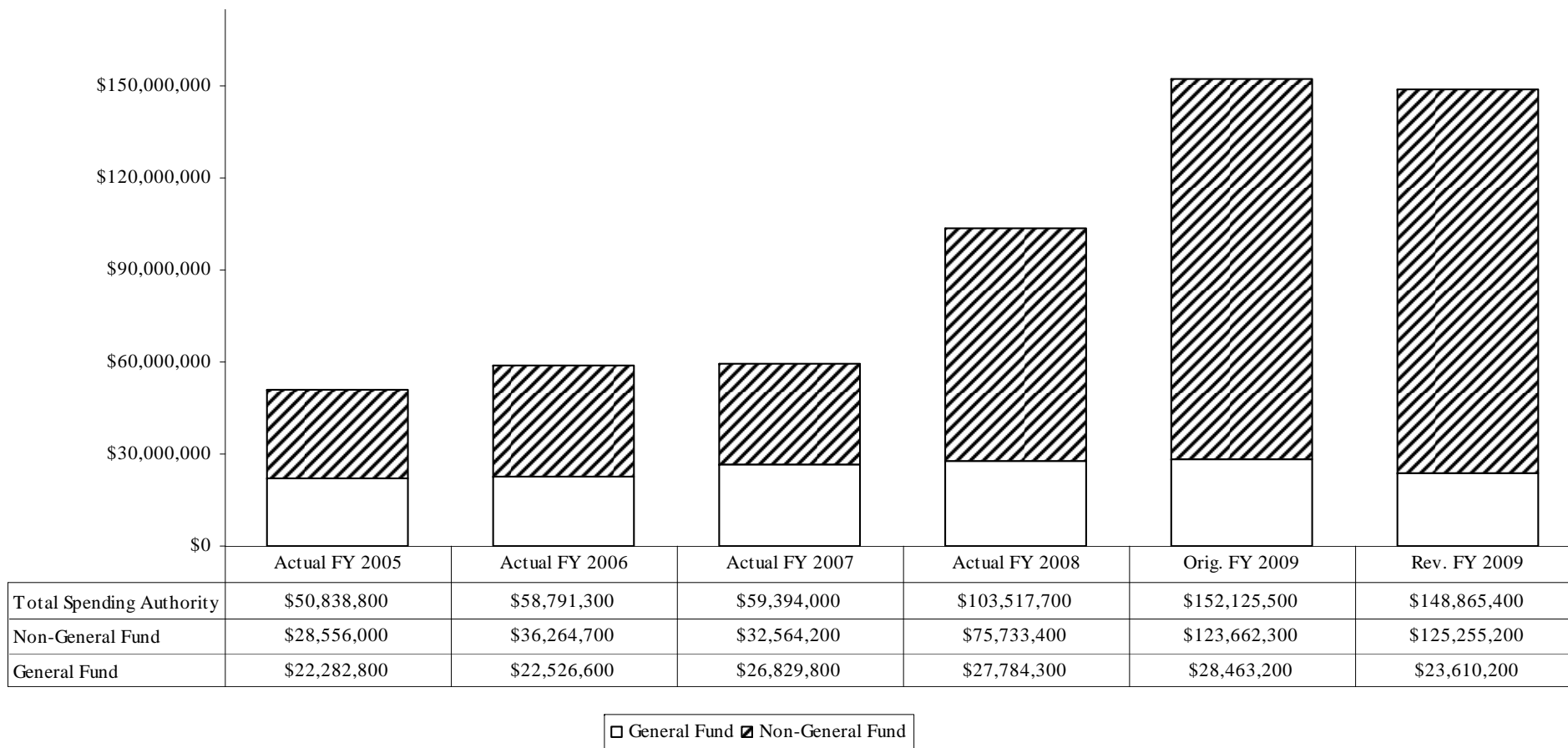
Detailed List of Budget Options by Agency

	Revised FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
MMR - Department of Mines & Mineral Resources	\$883,000		349	
MMR - Salary Lump Sum				(24,400)

Arizona State Parks Board

- Manages the state parks system
- Parks Board consists of 7 members appointed by the Governor
- Staff carries out responsibilities of the Parks Board
 - Maintains and develops existing parks and acquires new parks
 - Statewide recreational planning
 - Administers Heritage Fund grant programs and Growing Smarter Grants

Arizona State Parks Board
Total Funds FY 2005 - FY 2009



General Fund Detailed List of Budget Options by Agency

	Original FY 2009	09 Budget Plan	09 Budget Plan Subtotal		10 JLBC Baseline	10 Options	Pg#
OPERATING SPENDING CHANGES							
SPB - Arizona State Parks Board	28,463,200						
SPB - Lump Sum Suspension/Reduction		(846,300)				(1,269,500)	180
SPB - Salary Lump Sum		(196,900)				(473,400)	
SPB - General Fund Offset - Land Conservation Fund Interest		(1,568,800)				(1,974,100)	181
SPB - Use All Park Fees for Operating		(2,241,000)				(2,441,000)	182
			(4,853,000)				
FUND TRANSFERS							
SPB - Arizona State Parks Board							
SPB - Heritage FRAT		(1,909,300)				0	377
SPB - Law Enforcement Boating & Safety EBT		(500,000)				0	
SPB - Off-Highway Vehicle Recreation FRAT		(118,400)				(105,200)	377
SPB - Off-Highway Vehicle Recreation EBT		(436,300)				(742,100)	377
SPB - Reservation Surcharge Revolving FRAT		(27,600)				(54,800)	377
SPB - State Lake Improvement FRAT		(207,500)				(415,000)	377
SPB - State Lake Improvement EBT		(3,656,000)				(4,753,000)	377
SPB - SLIF Prior Year Projects General Fund Transfer		(6,498,200)				0	379
SPB - State Parks Enhancement FRAT		(413,000)				(725,900)	377
SPB - State Parks Enhancement EBT		(3,664,000)				(2,901,500)	377
SPB - State Parks Jerome Fund Transfer		(1,000,000)				0	380
			(18,430,300)				

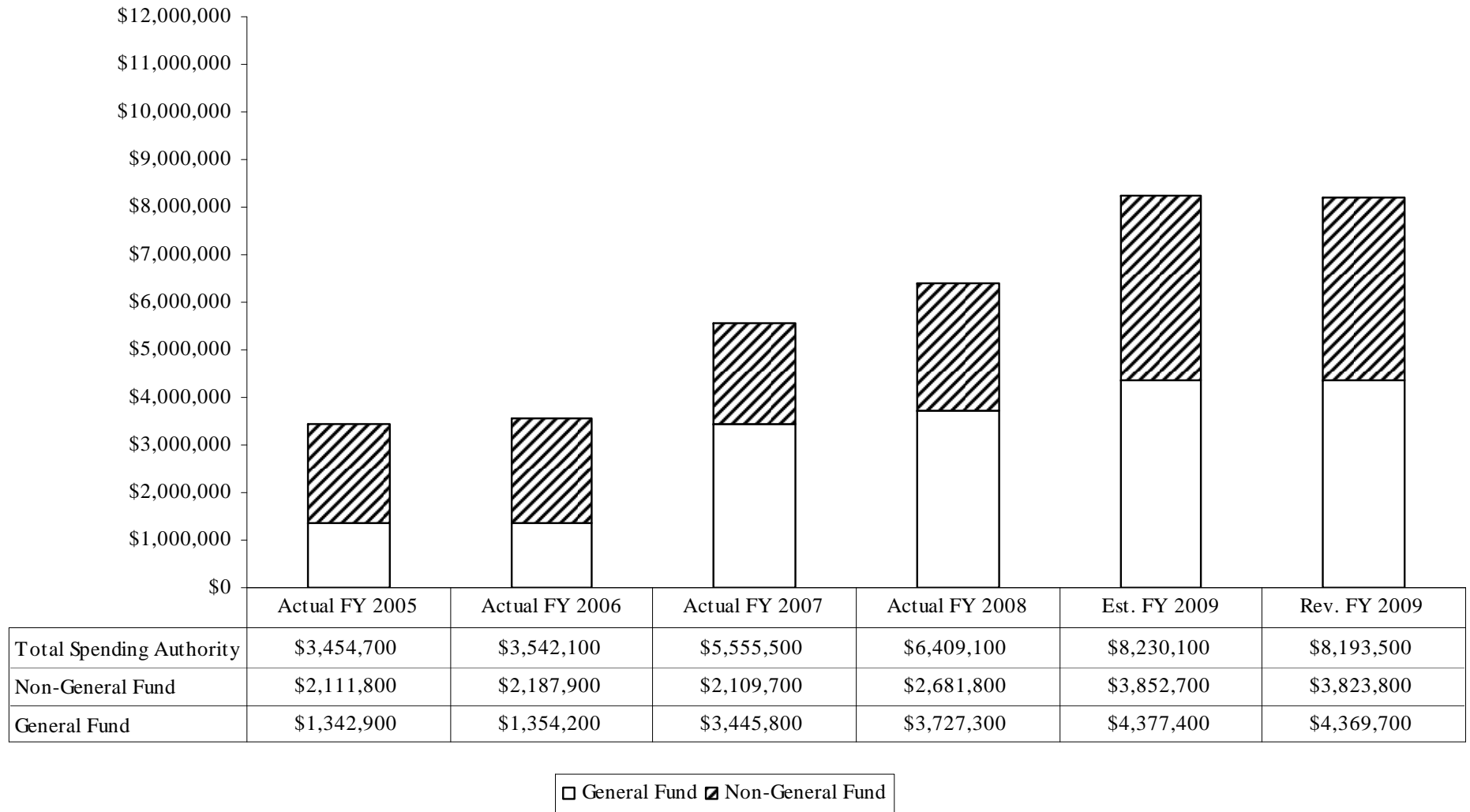
Other Funds Detailed List of Budget Options by Agency

	Original FY 2009	09 Budget Plan	09 Budget Plan Agy Subtotal		10 JLBC Baseline	10 Options	Pg#
OPERATING SPENDING CHANGES							
SPB - Arizona State Parks Board	8,899,700						
SPB - Use of All Park Fees for Operating		2,241,000				2,441,000	
SPB - Reservation Surcharge FRAT		(27,600)				(54,800)	390
SPB - State Lake Improvement FRAT		(207,500)				(415,000)	
SPB - State Parks Enhancement FRAT		(413,000)				(725,900)	390
			1,592,900				

Commission for Postsecondary Education

- Reviews and recommends higher education policies
 - Administers certain federal and state student aid programs
 - Administers the 529 Family College Savings Plan
 - Provides a discussion forum for public and private postsecondary educational institutions and their stakeholders

**Commission for Postsecondary Education
Total Funds FY 2005 - FY 2009**



Postsecondary Education Grant (PEG) Program

- Awards for Arizona students attending private colleges and universities in Arizona
- Up to \$2,000 per year for up to 4 years
 - Limited to tuition, books and fees
- Student applies directly to the Commission
 - School defines eligibility
- FY 2008 Awards
 - 2,442 students
 - \$4 million distributed

Private Postsecondary Education Student Financial Assistance Program (PFAP)

- Awards for Arizona students attending private colleges and universities in Arizona
- Up to \$2,000 per year for up to 2 years
 - Limited to tuition, books and fees
- Student applies directly to the Commission
 - School defines eligibility
- FY 2008 Awards
 - 50 students
 - \$70,000 distributed

Early Graduation Scholarship Grant (EGSG) Program

- Awards for Arizona students attending public or private colleges and universities in Arizona
- Up to \$2,000 over 2 years for graduating 1 year early and up to \$1,500 over 2 years for graduating 1 semester early
- FY 2008 Awards
 - 41 students
 - \$60,000 distributed
 - The program's application was made available for the first time in January 2008

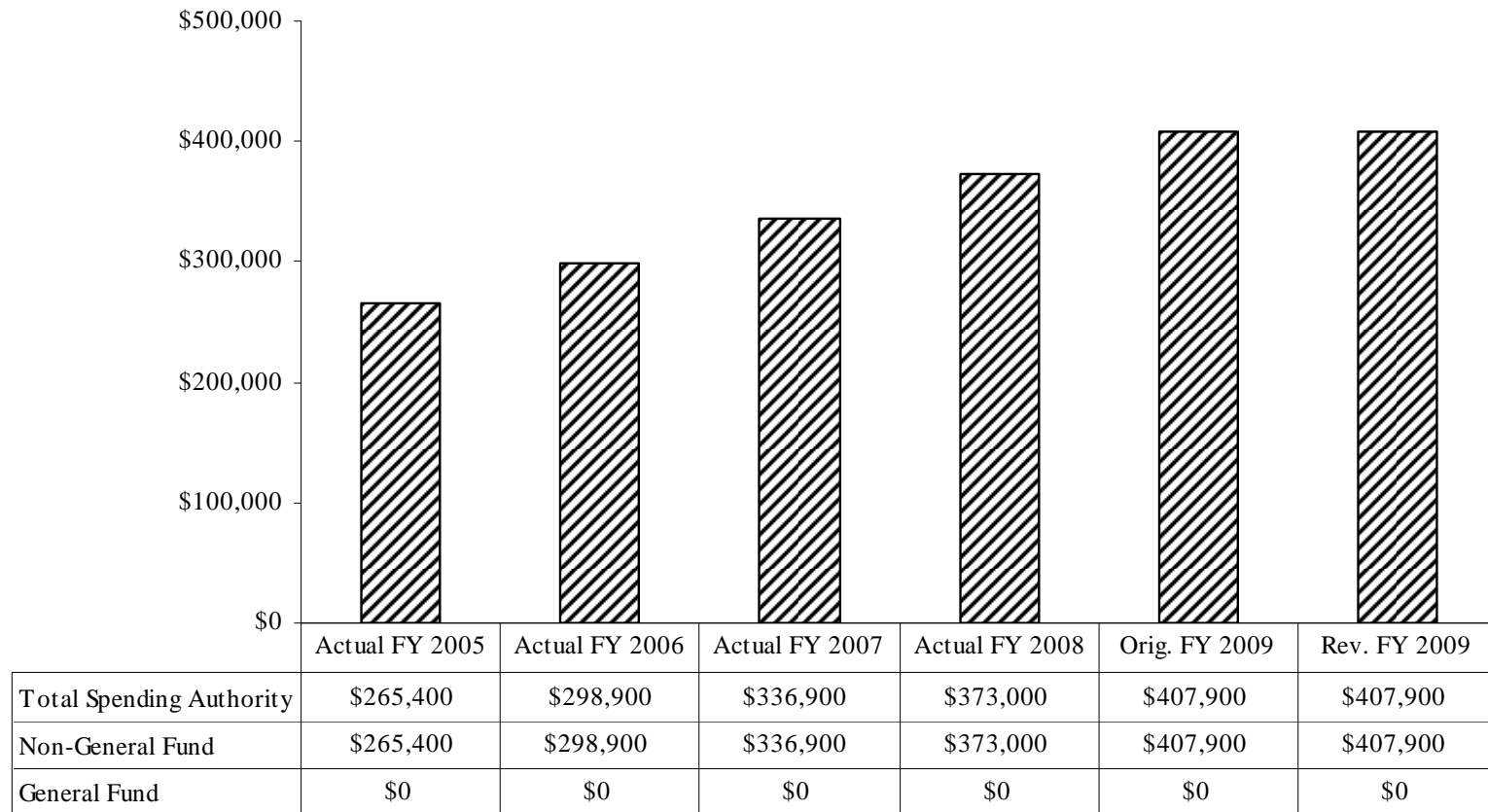
General Fund
Detailed List of Budget Options by Agency

	Original FY 2009	09 Budget Plan	09 Budget Plan Subtotal		10 JLBC Baseline	10 Options	Pg#
OPERATING SPENDING CHANGES							
POS - Commission for Postsecondary Education	4,377,400						
POS - Lump Sum Suspension/Reduction		0				(1,000,000)	188
POS - Salary Lump Sum		(7,700)				(18,500)	
			(7,700)				
FUND TRANSFER							
POS - Commission for Postsecondary Education							
POS - Early Graduation Scholarship FRAT		(28,900)				(57,800)	385
POS - Early Graduation Scholarship EBT		(2,985,800)				(2,863,800)	385
			(3,014,700)				

State Board of Psychologist Examiners

- Licenses and regulates psychologists and behavior analysts
- Behavior analysts produce improvements in human behavior based on principles of behavior identified through experimental analysis

**State Board of Psychologist Examiners
Total Funds FY 2005 - FY 2009**



□ General Fund ▨ Non-General Fund

Other Funds
Detailed List of Budget Options by Agency *

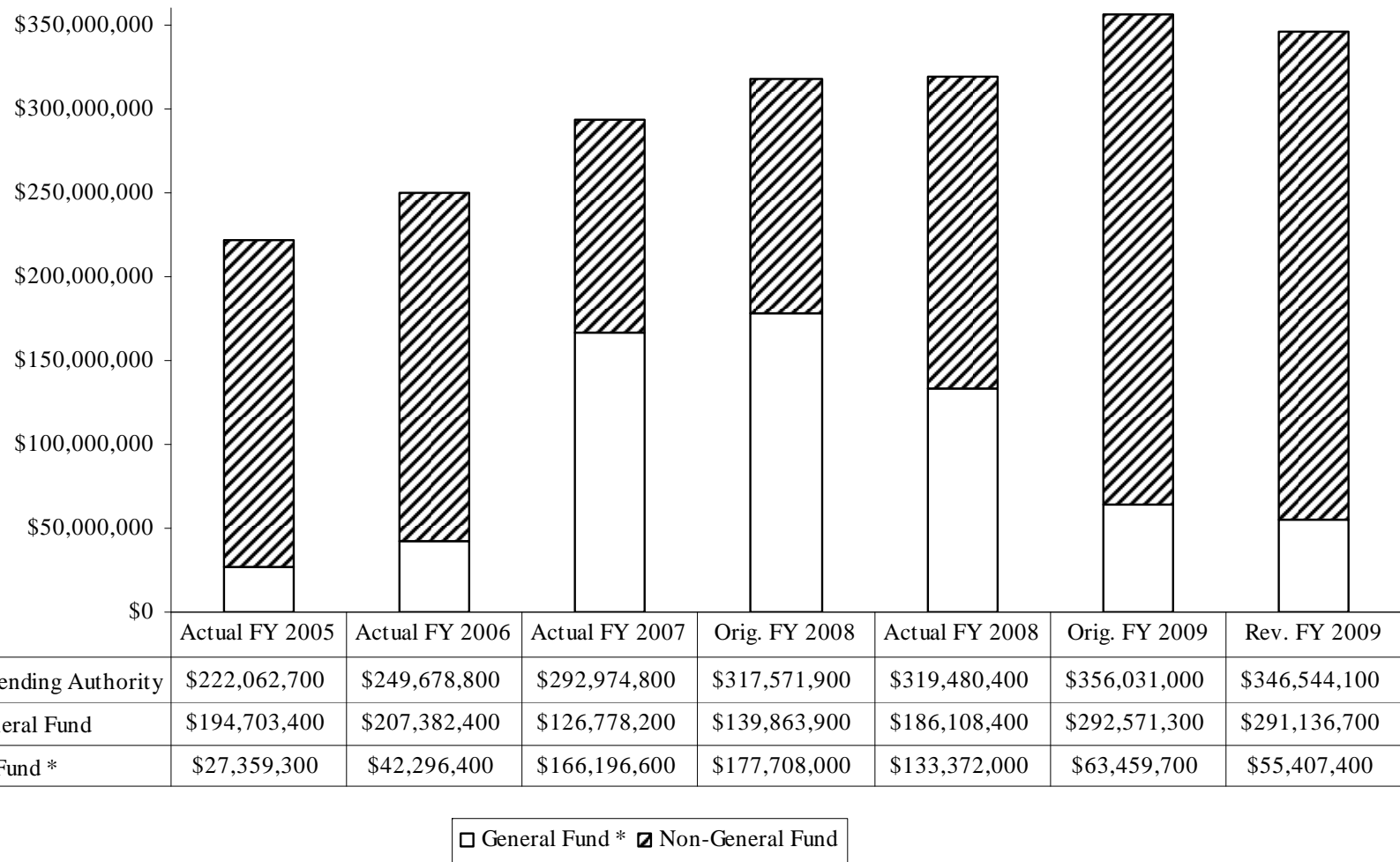
	Revised OF FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
PSY - State Board of Psychologist Examiners	407,900		392	
PSY - Eliminate One-time Equipment		(7,600)		

* Not duplicated from Fund Transfer Section

Department of Public Safety

- Charged with enforcing state criminal laws and traffic regulations.
- Some major programs and responsibilities include:
 - Highway Patrol & Criminal Investigations
 - Statewide Communications Systems
 - 4 Crime Laboratories
 - Automated Fingerprint Identification Network
 - Gang and Immigration Intelligence Team Enforcement Mission (GIITEM)
 - State Photo Enforcement System

**Department of Public Safety
Total Funds FY 2005 - FY 2009**



General Fund

Detailed List of Budget Options by Agency

	Revised FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
DPS - Department of Public Safety	\$55,407,400		394	
DPS - Lump Sum Suspension/Reduction				(767,300)
DPS - Salary Lump Sum				(1,550,200)
DPS - Local Law Enforcement Reimbursement for DPS Lab				(2,600,100)
DPS - Public Safety Equipment Reduction				(1,000,000)
DPS - Revert Unused GITEM to GF		6,400,000		
FUND TRANSFERS				
DPS - Department of Public Safety				
DPS - Auto Fingerprint Identification EBT				(71,900)
DPS - Criminal Justice Enhancement EBT				(206,600)
DPS - DNA Identification System - Garage Fund Transfer				(2,504,000)
DPS - DNA Identification System EBT				(552,300)
DPS - DPS Administration FRAT				(975,100)
DPS - DPS Administration EBT				(35,700)
DPS - DPS Licensing EBT				(96,700)
DPS - Fingerprint Clearance Card EBT				(193,800)
DPS - Board of Fingerprinting FRAT				(59,500)
DPS - Peace Officers Training EBT				(181,200)
DPS - Public Safety Equipment FRAT				(300,000)
DPS - Records Processing FRAT				(567,800)
DPS - Records Processing EBT				(49,500)

Other Funds
Detailed List of Budget Options by Agency *

	Revised OF FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
DPS - Department of Public Safety	192,347,800		394	
DPS - Salary Lump Sum				(1,524,700)
DPS - End Helicopter Lease-Purchase Payment		(777,000)		

* Not duplicated from Fund Transfer Section

Major Footnote Changes

GIITEM:

- \$10 million Local Grants: Reduces DPS' share of local contracts from 85% to 80%, requires DPS to make a reasonable effort to enter into a 287G agreement, specifies the monies would be non-lapsing, and eliminates monies dedicated to specific entities.
- \$10.3 million DPS personnel: Adjusts language regarding how DPS staff may be used, eliminates language relating to 287G agreement.

Proposed Budget Reconciliation Bill Changes

As Session Law:

- Continue to redirect 9% (approx. \$4.3 M) of CJEF revenues from the General Fund to DPS to fund crime lab operations.
- Reduce the \$3,484,000 advance appropriated in FY 2010 from the DNA Identification System Fund, to \$980,000.
- Continue to allow DPS to charge fees for crime lab services, exempt the agency from the rule making process, and specify DPS would not provide services if fees were not paid.

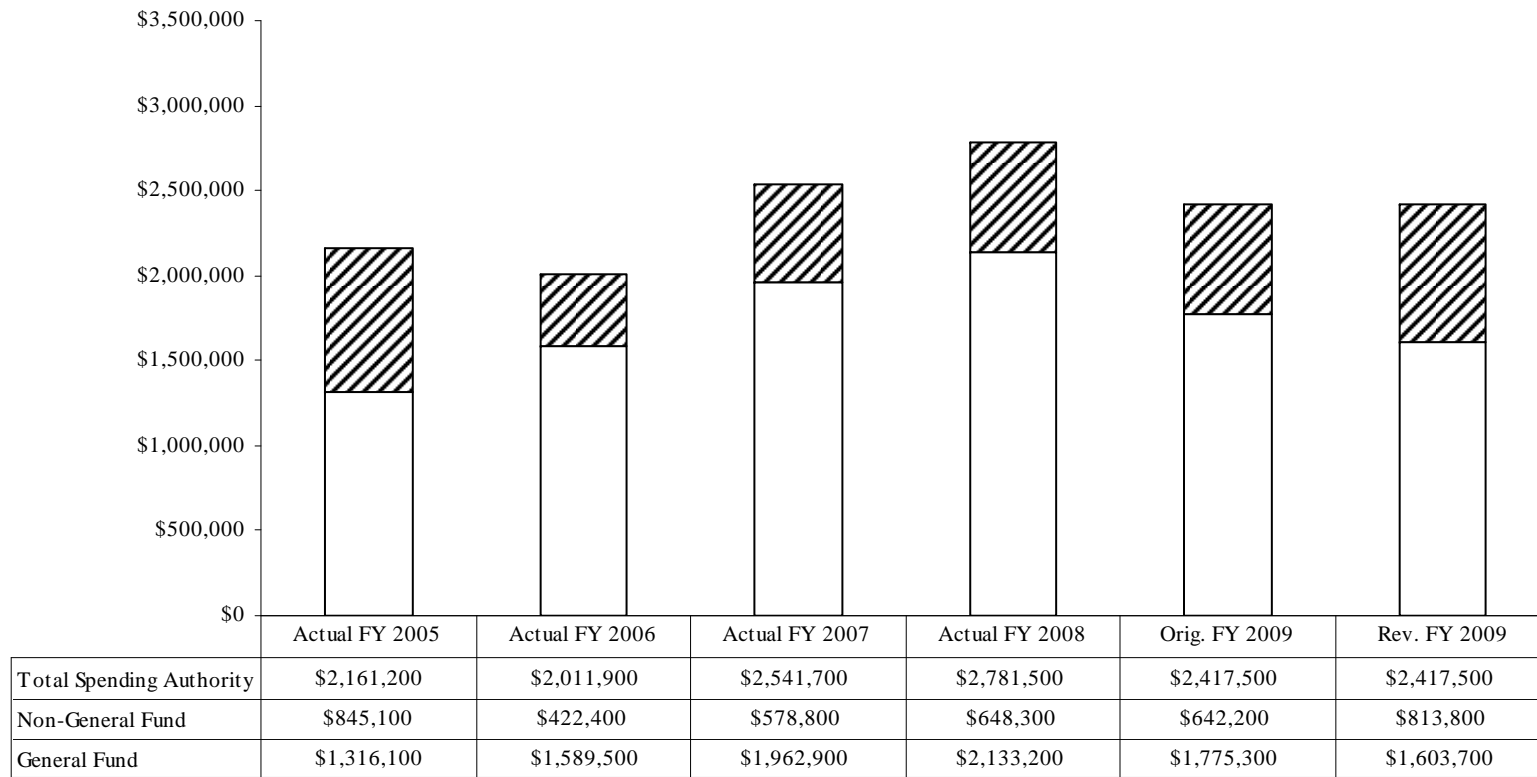
As Permanent Law:

- Eliminate the \$10 million statutory caps from each of HURF and SHF for DPS highway patrol costs.

Radiation Regulatory Agency

- Regulates the use, storage, and disposal of sources of radiation
- Licenses and certifies users of radiological material
- Inspects X-ray equipment
- Monitors environmental radiation
- Helps develop a nuclear emergency response plan

**Radiation Regulatory Agency
Total Funds FY 2005 - FY 2009**



□ General Fund ▨ Non-General Fund

General Fund

Detailed List of Budget Options by Agency

	Revised FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
RAD - Radiation Regulatory Agency	\$1,603,700			
RAD - Lump Sum Suspension/Reduction				(58,200)
RAD - Salary Lump Sum				(77,600)
RAD - Nuclear Emergency Management Fund*		(612,600)		

*Offset by a new assessment in a separate piece of legislation

Other Funds

Detailed List of Budget Options by Agency *

	Revised OF FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
RAD - Radiation Regulatory Agency	279,900			
RAD - Salary Lump Sum				(12,300)

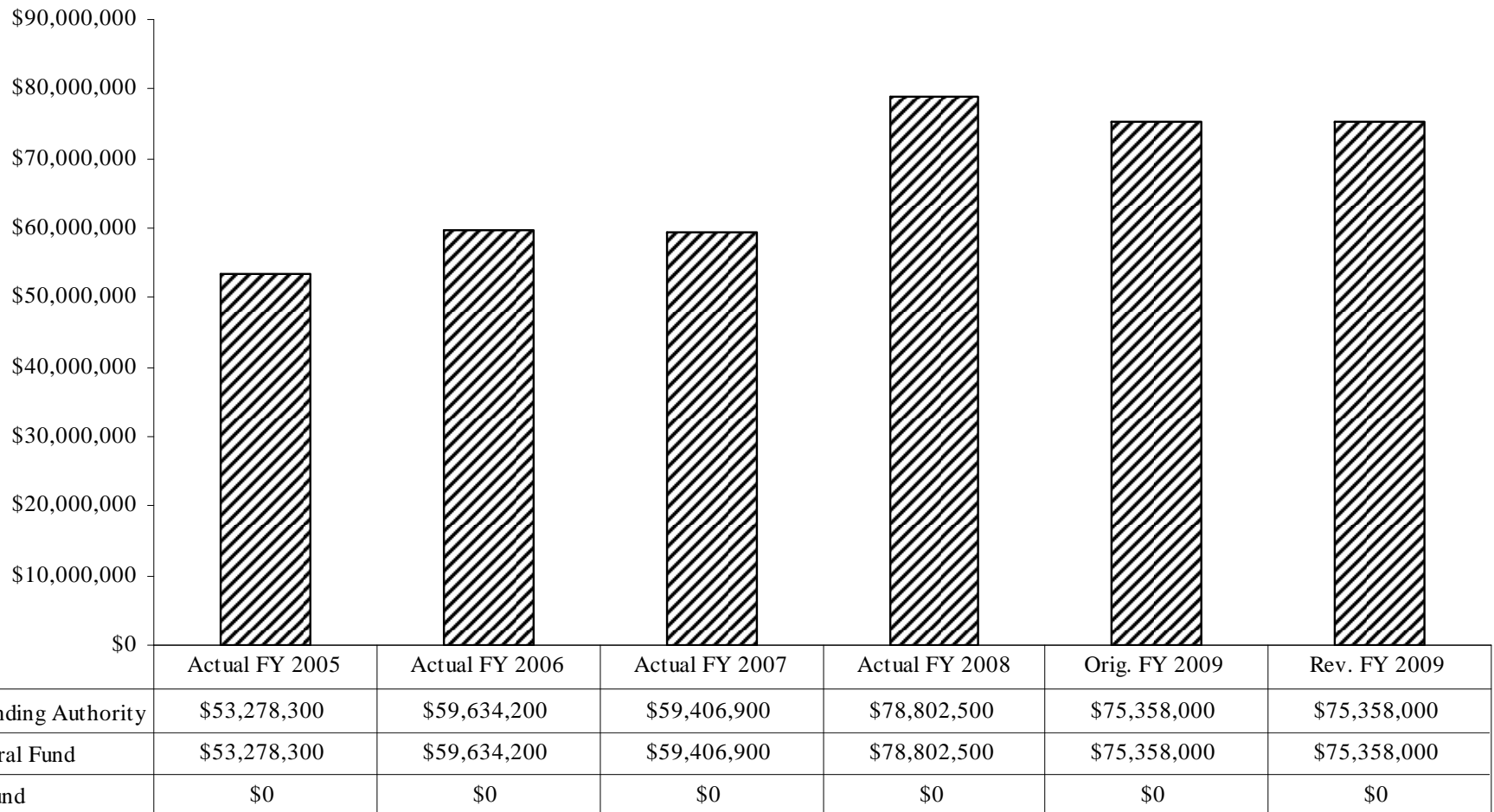
* Not duplicated from Fund Transfer Section

- The FY 2009 Budget Procedures Budget Reconciliation Bill provided \$400,000 in fee raising authority to offset a \$(400,000) reduction to the agency's General Fund appropriation. This authority is not included in the FY 2010 JLBC Baseline.

Arizona State Retirement System

- The state's pension and long-term disability (LTD) system
 - Provides retirement, survivors', and disability benefits to the employees of most of the public employers in the state
 - Employers include public schools, most local and county governments, and the state
 - State Constitution states that retirement benefits "shall not be diminished or impaired"

**Arizona State Retirement System
Total Funds FY 2005 - FY 2009**



□ General Fund ▨ Non-General Fund

Other Funds
Detailed List of Budget Options by Agency *

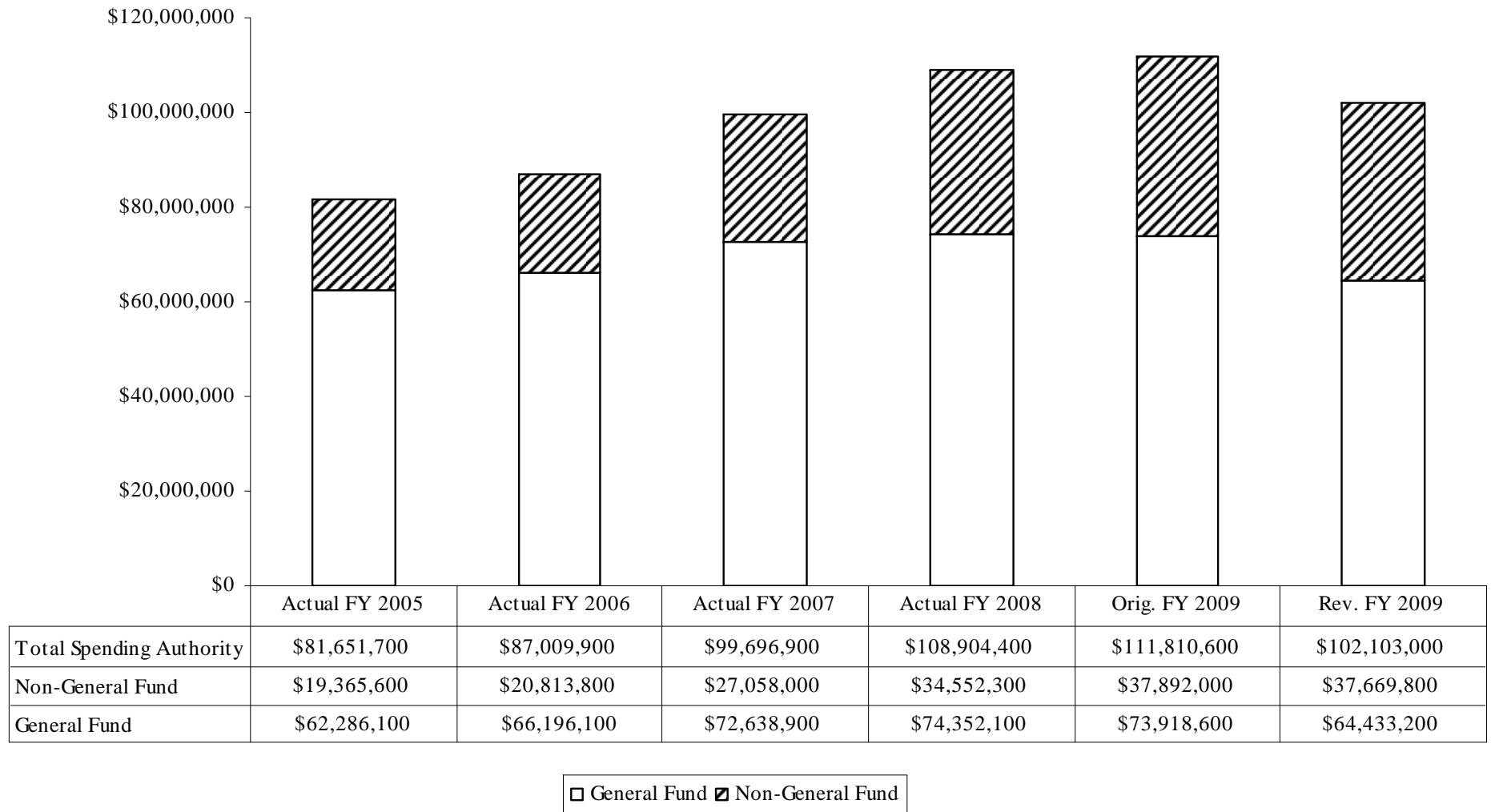
	Revised OF FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
RET - Arizona State Retirement System	24,047,000		419	
RET - Technology Upgrades		(787,700)		
RET - Eliminate One-time Funding		(137,600)		

* Not duplicated from Fund Transfer Section

Department of Revenue

- Administers and enforces the collection of personal and corporate income, sales (TPT), withholding, luxury and estate taxes
- Administers state property tax laws through the 15 county assessors

**Department of Revenue
Total Funds FY 2005 - FY 2009**



General Fund
Detailed List of Budget Options by Agency

	Revised FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
REV - Department of Revenue	\$64,433,200			
REV - Data Center Charges		1,400,000	423	
REV - Lump Sum Suspension/Reduction				(3,696,000)
REV - Salary Lump Sum				(2,938,900)
FUND TRANSFERS				
REV - Department of Revenue				
REV - Estate and Unclaimed Property FRAT				(340,400)
REV - Estate and Unclaimed Property EBT				(570,200)
REV - Liability Set-off Fund EBT				(177,500)

Other Funds
Detailed List of Budget Options by Agency *

	Revised OF FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
REV - Department of Revenue	4,266,600			
REV - Salary Lump Sum				(72,100)

* Not duplicated from Fund Transfer Section

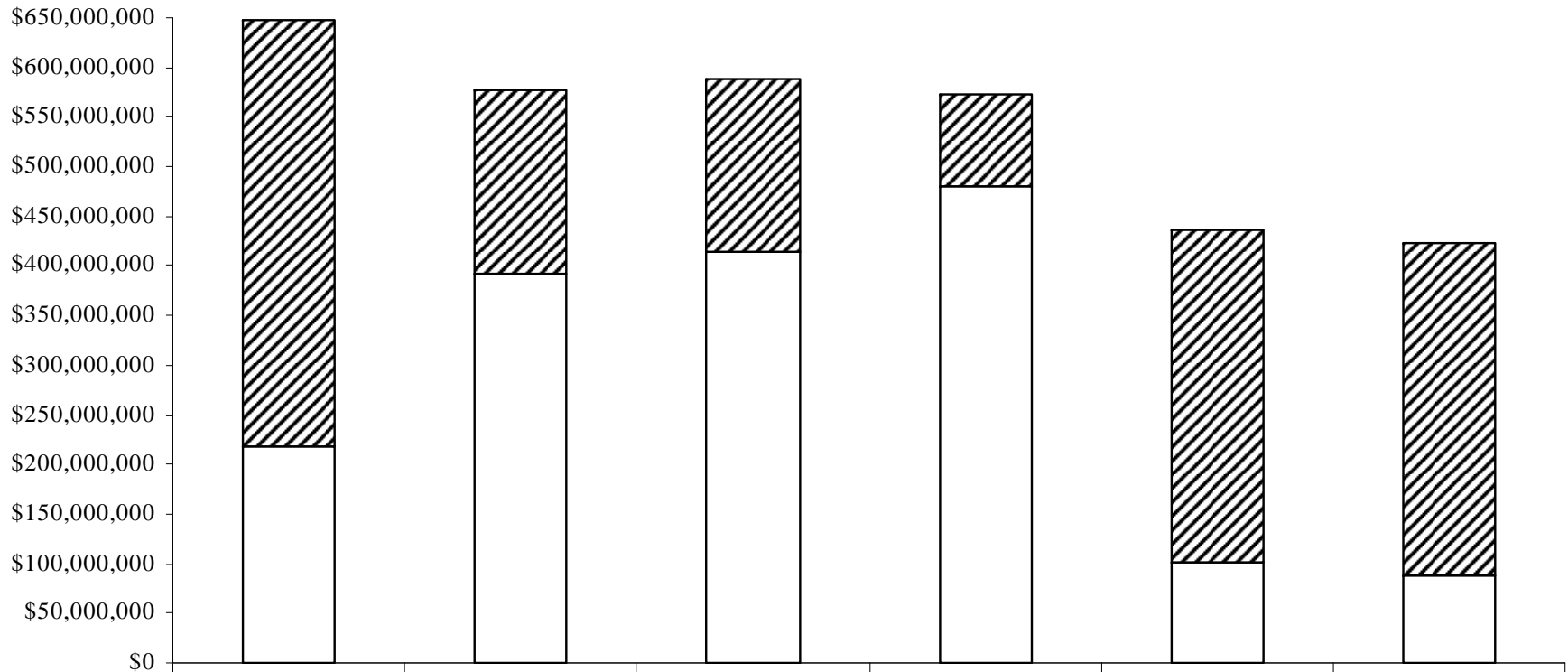
Proposed Budget Reconciliation Bill Changes

- Require all unclaimed property proceeds to be distributed to the General Fund

The School Facilities Board Provides K-12 Capital Funding

- **New School Construction**
 - Provides formula-based funding to build new K-12 facilities
- **Emergency Deficiencies Correction**
 - Provides monies from the New Construction Fund for K-12 facility emergencies
- **Building Renewal Fund**
 - Provides formula-based funding to maintain existing K-12 facilities
- **Building Renewal Grants**
 - Provides grant-based funding for existing K-12 facilities

**School Facilities Board
Total Funds FY 2005 - FY 2009**



	Actual FY 2005	Actual FY 2006	Actual FY 2007	Actual FY 2008	Orig. FY 2009	Rev. FY 2009
Total Spending Authority	\$646,906,100	\$577,987,600	\$587,599,400	\$573,236,900	\$437,213,800	\$423,762,100
Non-General Fund	\$428,290,000	\$185,523,100	\$173,923,100	\$91,940,200	\$335,996,600	\$335,996,600
General Fund	\$218,616,100	\$392,464,500	\$413,676,300	\$481,296,700	\$101,217,200	\$87,765,500

□ General Fund ▨ Non-General Fund

General Fund
Detailed List of Budget Options by Agency

	Revised FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
SFB - School Facilities Board	\$87,765,500		427	
SFB - Lease-Purchase Increase		29,414,900	429	
SFB - Salary Lump Sum				(79,600)
SFB - Rollback Building Renewal Grants Funding				(7,000,000)
FUND TRANSFERS				
SFB - School Facilities Board				
SFB - Interest Earnings Fund Transfer				(1,380,000)

Proposed Budget Reconciliation Bill Changes

- Prohibit SFB from awarding funding above the annually approved construction cost adjustments and for geographic or site conditions
- Only permit SFB to award new construction projects based on current actual ADM
- Repeal the requirement for SFB to fund full-day kindergarten (FDK) capital costs
- Continue the new construction moratorium in FY 10 including FDK

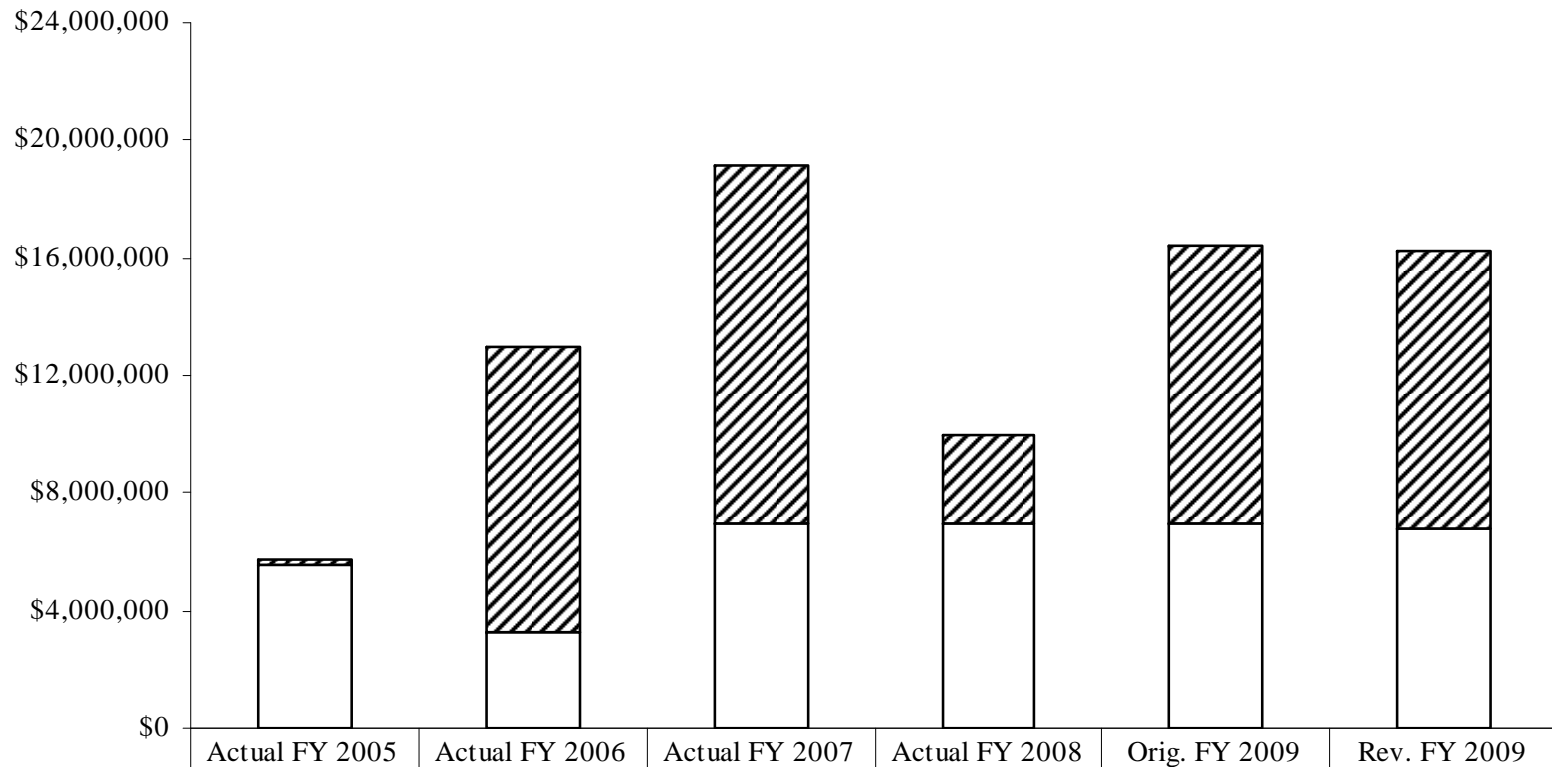
Secretary of State - Elections

- Coordinates statewide elections, as the Secretary of State budget finances:
 - Voter registration
 - Certification of candidates
 - Testing of voting devices for use by counties
 - Certification of the results of statewide elections
- Counties assume many election day costs, and the Secretary of State reimburses for:
 - The cost of printing and mailing sample ballots
 - Statewide election recounts
 - Costs associated with certifying initiative and referendum signatures
- Receives and processes required filings from:
 - Legislators, state officials, judges, candidates for office, campaign committees, and lobbyists.
- Oversees the training of county election officials

Secretary of State - Administration

- Receives the filing of:
 - Administrative rules
 - Intergovernmental agency agreements
 - Official executive orders/proclamations
 - Uniform Commercial Code (UCC) documents
- Registers:
 - Trades names
 - Trademarks
 - Limited Partnerships
- Appoints notaries public
- Certifies telemarketing and charitable solicitation organizations

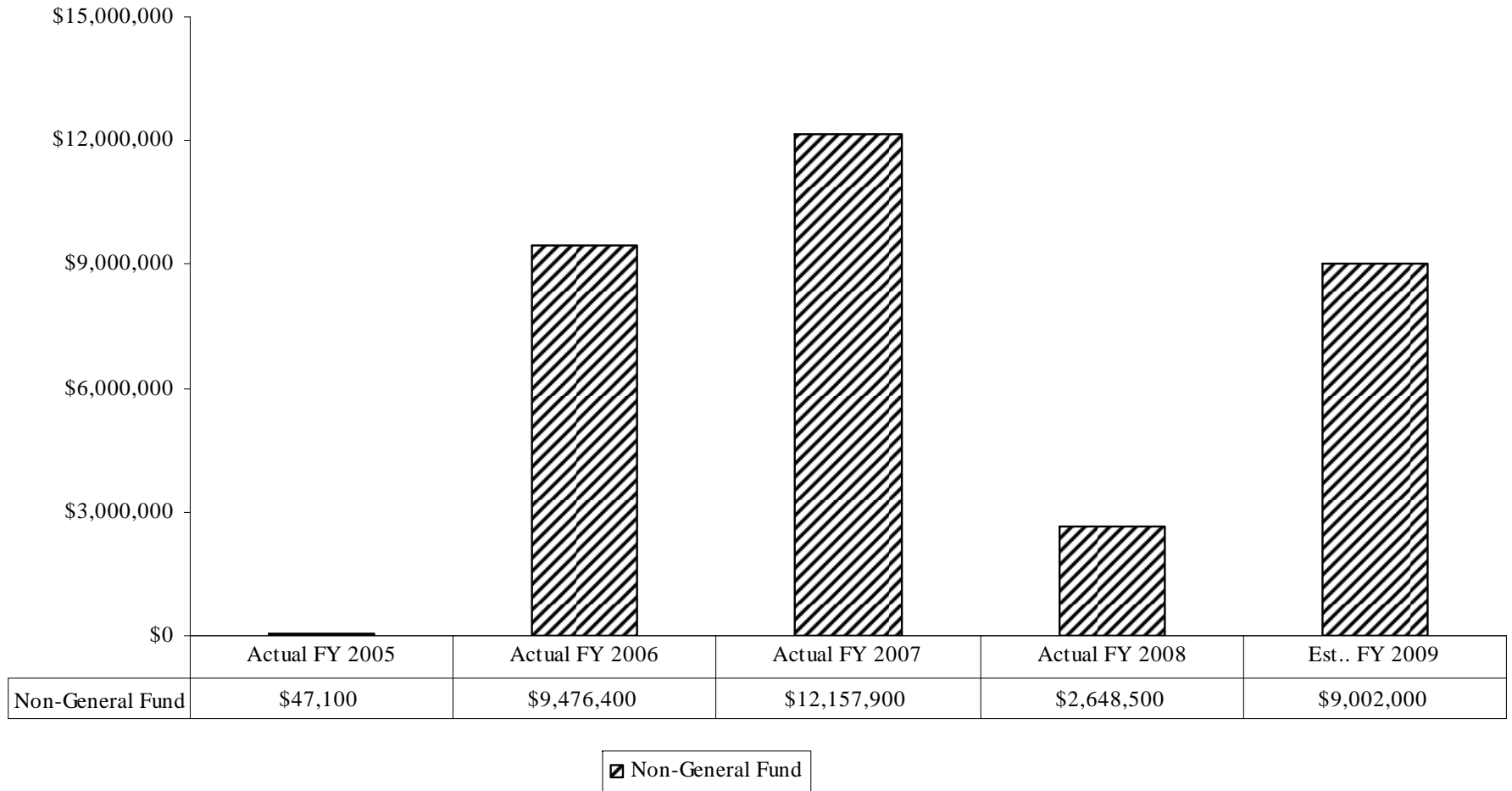
**Department of State - Secretary of State
Total Funds FY 2005 - FY 2009**



	Actual FY 2005	Actual FY 2006	Actual FY 2007	Actual FY 2008	Orig. FY 2009	Rev. FY 2009
Total Spending Authority	\$5,738,300	\$12,970,900	\$19,186,400	\$9,982,000	\$16,391,500	\$16,241,500
Non-General Fund	\$139,900	\$9,667,400	\$12,201,500	\$3,009,700	\$9,410,800	\$9,410,800
General Fund	\$5,598,400	\$3,303,500	\$6,984,900	\$6,972,300	\$6,980,700	\$6,830,700

□ General Fund ▨ Non-General Fund

**Department of State - Secretary of State
HAVA Funding FY 2005 - FY 2009**



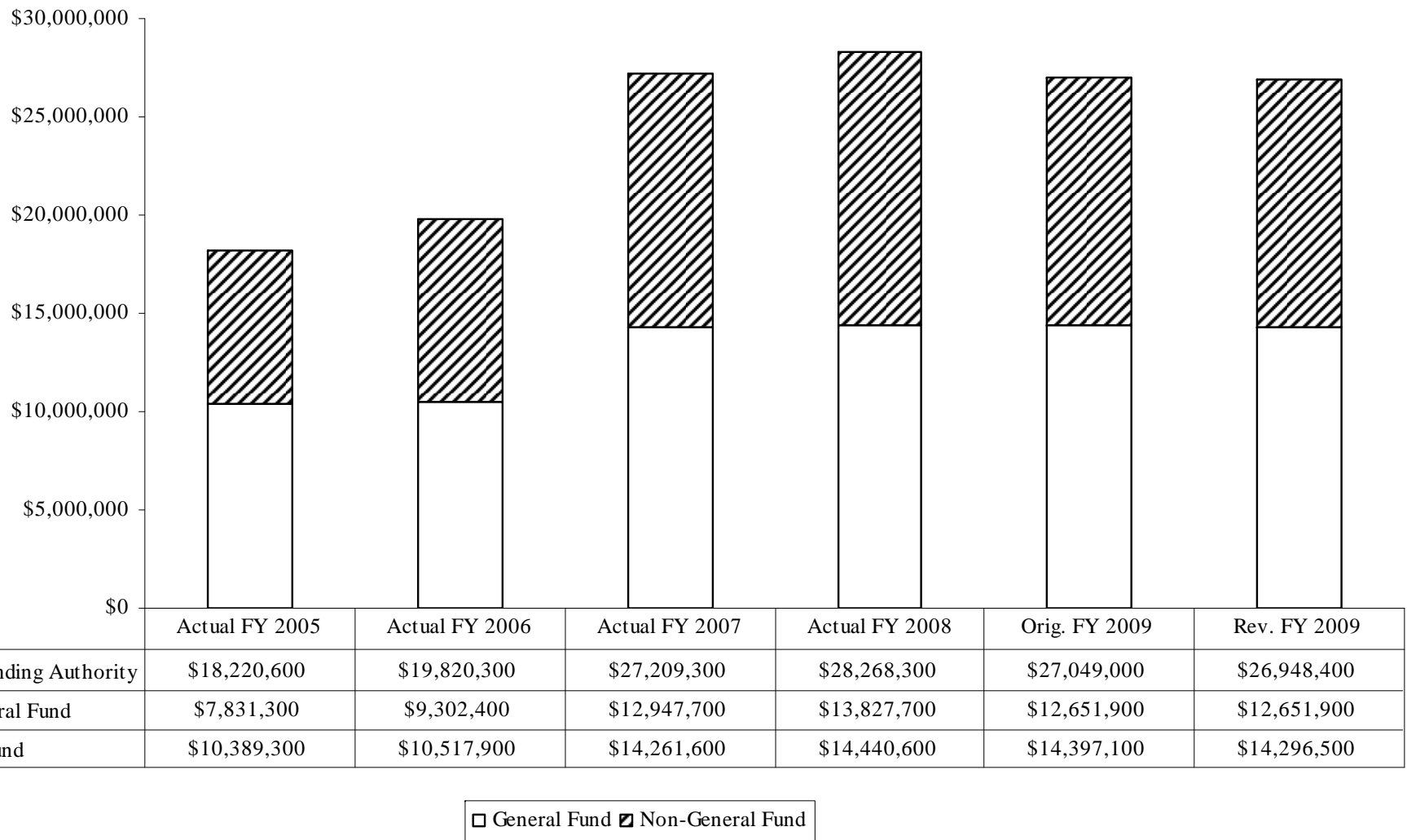
General Fund
Detailed List of Budget Options by Agency

	Revised FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
SOS - Secretary of State	\$6,830,700			
SOS - Lump Sum Suspension/Reduction				(225,200)
SOS - Salary Lump Sum				(237,100)
SOS - Non-Election Year Funding		(3,350,000)		

Office of Tourism

- Promotes tourism within the state
 - Develops information campaigns
 - Advertises for the state
 - Runs exhibitions at industry trade shows
 - Operates a state visitors' center

Office of Tourism
Total Funds FY 2005 - FY 2009



Funding Sources for the Office of Tourism

<u>Sources of Funding</u>	<u>Fund</u>
<u>Tourism Formula</u>	
3.5% of bed tax	General Fund
3% of amusement tax	
2% of restaurant tax	
<u>Sports & Tourism Authority</u>	
Partial allocation of 1% of bed tax and 3.25% car rental tax (Prop. 302)	Tourism Fund
<u>Tribal Gaming</u>	
8% of state's share of gaming proceeds, after distribution to Department of Gaming (Prop. 202)	Tourism Fund

General Fund

Detailed List of Budget Options by Agency

	Revised FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
TOU - Office of Tourism	\$14,296,500			
TOU - Require Proportional Local Contributions to Tourism Fund				(4,495,000)
TOU - Lump Sum Suspension/Reduction				(2,751,200)
TOU - Salary Lump Sum				(141,300)
FUND TRANSFERS				
TOU - Office of Tourism				
TOU - Tourism Fund EBT				(483,700)

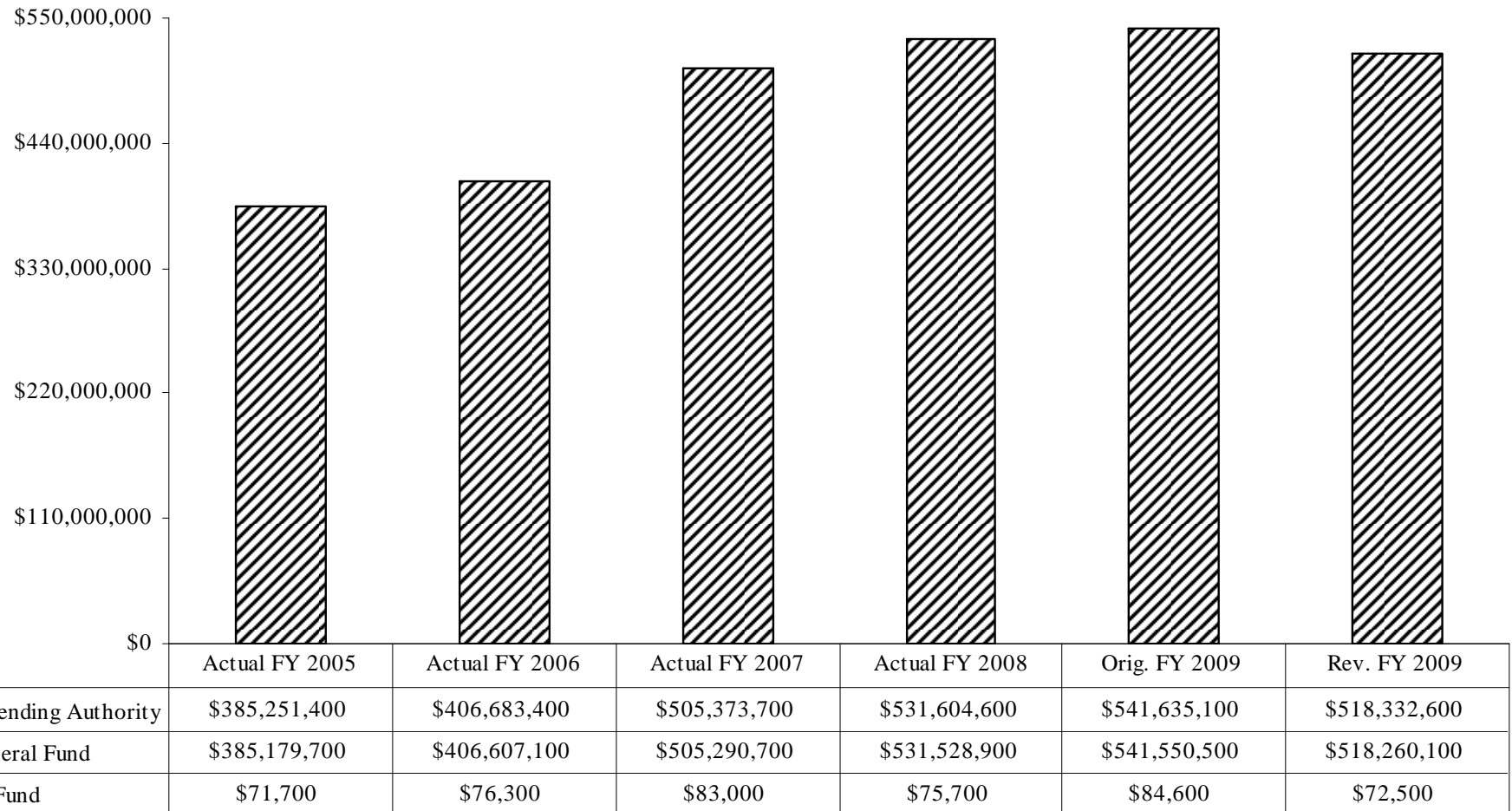
Proposed Budget Reconciliation Bill Changes

- Suspend the Tourism Funding Formula

Arizona Department of Transportation

- Plans the statewide transportation system, including highways and airports
- Builds, maintains and manages the state highway system
- Registers general aviation aircraft, makes loans to public airports, and owns and operates the Grand Canyon National Park Airport
- Regulates motor vehicles by issuing permits, registrations and licenses

**Arizona Department of Transportation
Total Funds FY 2005 - FY 2009**



□ General Fund ▨ Non-General Fund

General Fund

Detailed List of Budget Options by Agency

	Revised FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
DOT - Department of Transportation	\$72,500			
DOT - Salary Lump Sum				(5,200)
FUND TRANSFERS				
DOT - Department of Transportation				
DOT - Arizona Highways Magazine FRAT				(647,800)
DOT - Arizona Highways Magazine EBT				(404,500)
DOT - Economic Strength Project FRAT				(100,000)
DOT - Economic Strength Project EBT				(684,700)
DOT - Motor Vehicle Liability Insurance Enforcement FRAT				(242,000)
DOT - Motor Vehicle Liability Insurance Enforcement EBT				(266,700)
DOT - State Aviation FRAT				(233,700)
DOT - State Aviation EBT				(731,400)
DOT - State Highway FRAT				(42,003,600)
DOT - Transportation Department Equipment FRAT				(3,215,500)
DOT - Transportation Department Equipment EBT				(1,989,200)
DOT - Vehicle Inspection and Title Enforcement EBT				(278,100)

Other Funds
Detailed List of Budget Options by Agency *

	Revised OF FY 2009	10 JLBC Baseline	BL Pg#	FY 10 Options
OPERATING SPENDING CHANGES				
DOT - Department of Transportation	445,134,800			
DOT - Highway Maintenance Workload		3,571,000	453	
DOT - Eliminate One-time Equipment		(116,800)	457-58	
DOT - Revenue Accounting Changes		(6,805,700)	453	
DOT - Salary Lump Sum				(773,200)

* Not duplicated from Fund Transfer Section

Additional MVD Policy Issue

- Shift \$101,941,100 from SHF to HURF in MVD operating budget
 - No net change in ADOT's overall funding
 - Frees \$50,460,800 of SHF for statewide highway construction and reduces city and county highway funding by \$(50,460,800)
 - Shares MVD's operating cost with cities and counties
 - Cities and counties benefit from MVD revenue collections by receiving 49.5% of HURF revenues (transportation-related licenses, taxes, fees, penalties and interest)
 - SHF receives 50.5% of HURF revenue

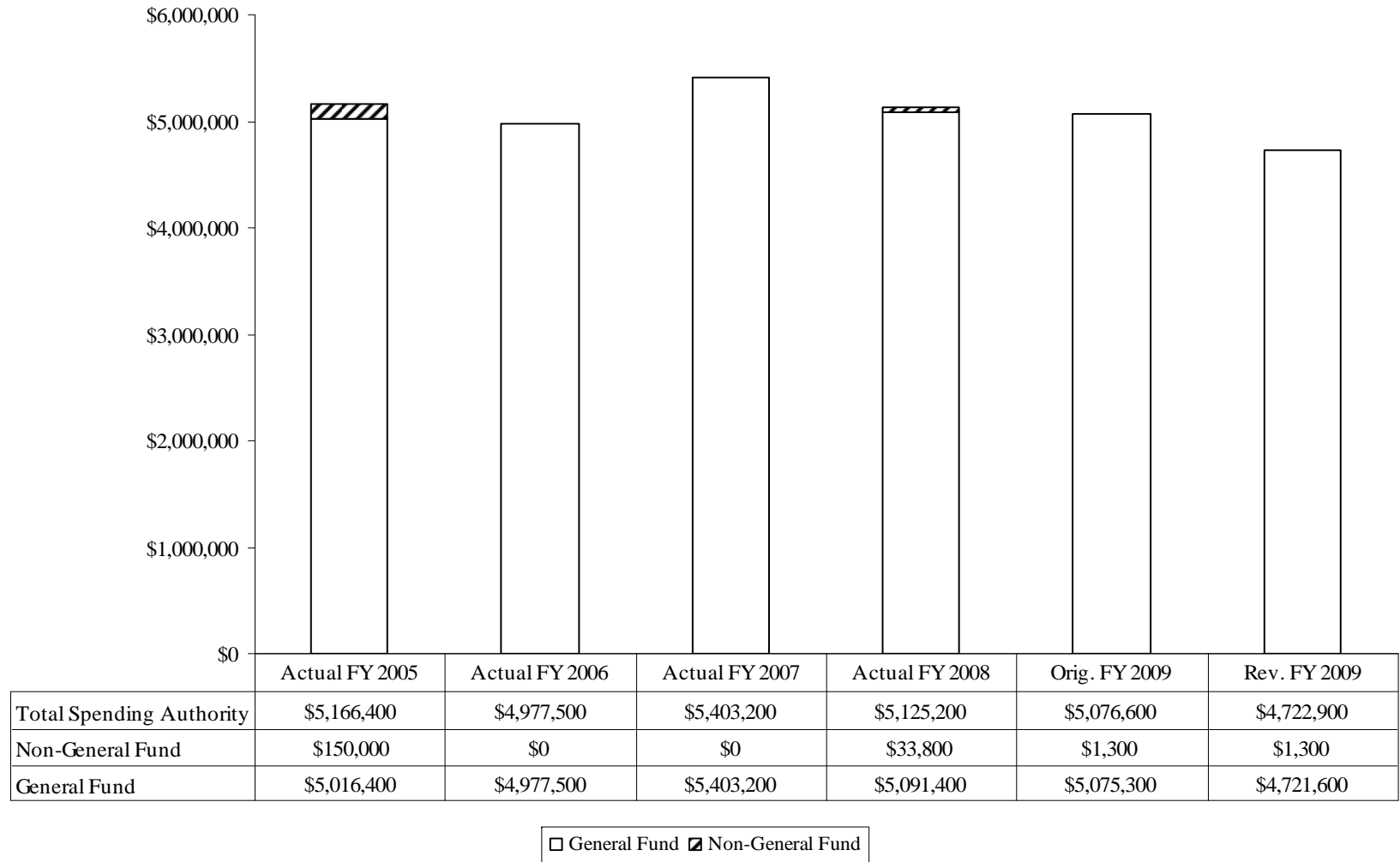
Federal Stimulus

- Highways - \$522,000,000
 - 70% state and 30% local governments through existing funding formulas
 - State portion to be distributed according to the Casa Grande Accord (37% Maricopa County, 13% Pima County and 50% for all other counties)
 - No match required
 - State maintenance of effort required for all projects planned through 9/2010
- Transit Capital - \$99,900,000
 - Development of metro/non-metro transit plans
 - Same MOE as Highways
- Fixed Guideway (Rail) - \$600,000
 - Modernization of rail infrastructure
 - Same MOE as Highways

State Treasurer

- Receives and keeps custody of state monies
- Pays warrants for the Department of Administration
- Accounts for all monies received and disbursed
- Invests and manages state and local monies

State Treasurer
Total Funds FY 2005 - FY 2009



General Fund
Detailed List of Budget Options by Agency - Enacted Budget Revision Plan

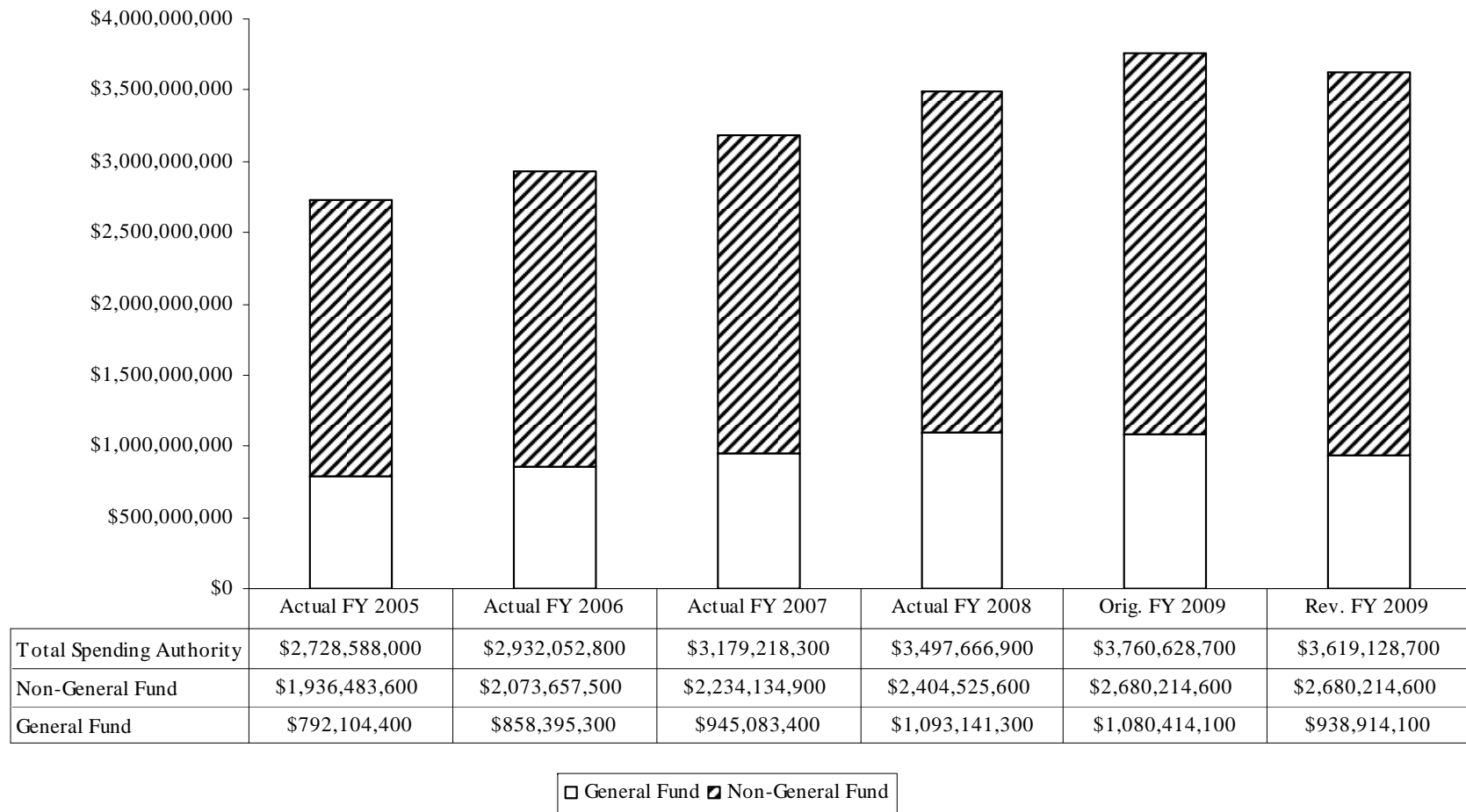
	Original FY 2009	09 Budget Plan Total	09 Budget Plan Subtotal		10 JLBC Baseline	BL Pg#	10 Options	CO Pg#	10 Options Agy Subtotal
OPERATING SPENDING CHANGES									
TRE - State Treasurer	5,075,300								
TRE - Lump Sum Suspension/Reduction		(275,400)					(413,100)	216	
TRE - Salary Lump Sum		(78,300)					(188,300)		
TRE - Reduce the State Share of the Justice of the Peace Salaries		0					(289,600)	217	
			(353,700)						(891,000)

Arizona University System

FY 2010 Enrollment Growth Estimates

Campus	FY 2010 Additional Enrollment	Growth Percentage
ASU-M	1,230	2.4%
ASU-E	791	15.0%
ASU-W	539	7.0%
<i>ASU – Total</i>	<i>2,560</i>	<i>4.0%</i>
NAU	163	0.8%
UA-M	675	2.0%
UA-HSC	50	2.5%
<i>UA - Total</i>	<i>725</i>	<i>2.2%</i>
TOTAL	3,448	2.9%

**Arizona University System
Total Funds FY 2005 - FY 2009**



Systemwide FY 2010 Budget Reduction Options

	<u>\$ in Millions</u>
• Financial Aid	\$3.4
• Math and Science	2.0
• Lump Sum Reduction	160.6
• Salary Lump Sum	78.6
• Enrollment Counts	48.2
• Minimum Tuition Requirement	3.3
• Water Institute	1.2
• Auxiliary Fund FRATs & EBTs	74.4

FY 2010 Budget Reduction Options By Campus

\$ in Millions

ASU - Main

- Biomedical Informatics Expansion \$2.0

ASU - West

- School of Criminal Justice 1.0

NAU

- Health Professions 4.0

UA - Main

- UA South 1.2

UA - HSC

- Telemedicine Expansion 1.0
- Pharmacy Expansion 1.5
- Phoenix Medical Campus 6.0

Proposed Budget Reconciliation Bill and Footnote Changes

- All tuition collections be appropriated.
- Uniform accounting and reporting system.
- Repeal bonding authority for university lottery
bonding projects not yet been favorably reviewed.

General Fund
Detailed List of Budget Options by Agency - Enacted Budget Revision Plan

	Original FY 2009	09 Budget Plan Total	09 Budget Plan Subtotal		10 JLBC Baseline	BL Pg#	10 Options	CO Pg#	10 Options Agy Subtotal
OPERATING SPENDING CHANGES									
UNI - Universities									
UNI - Arizona Board of Regents	20,342,400								
UNI - Rollback FY 08 Financial Aid Increase		0					(2,880,000)	219	
UNI - Rollback FY 08 WICHE Increase		0					(544,300)	220	
UNI - Eliminate Math & Science Funding		0					(2,000,000)	221	
UNI - Lump Sum Suspension/Reduction		0					(1,545,200)	222	
UNI - Salary Lump Sum		0					(195,600)		
UNI - Fund 45-Day Enrollment Count Fall/Spring		0					(39,454,600)	223	
UNI - Minimum Tuition Requirement		0					(2,862,900)	224	
UNI - Fund In-State Students Only		0					(8,746,700)	225	
			0						(58,229,300)
UNI - ASU - Main Campus	396,428,700								
UNI - ASU Main - Lump Sum Suspension/Reduction		0					(52,167,500)	227	
UNI - ASU Main - Salary Lump Sum		0					(28,890,800)		
UNI - ASU Main - Rollback FY 08 Water Institute		0					(400,000)	228	
UNI - ASU Main - Rollback FY 08 Biomedical Informatics		0					(2,000,000)	229	
			0						(83,458,300)
UNI - ASU - East Campus	30,489,200								
UNI - ASU East - Lump Sum Suspension/Reduction		0					(4,012,200)	231	
UNI - ASU East - Salary Lump Sum		0					(1,948,000)		
			0						(5,960,200)
UNI - ASU - West Campus	53,279,700								
UNI - ASU West - Lump Sum Suspension/Reduction		0					(7,011,300)	233	
UNI - ASU West - Salary Lump Sum		0					(3,491,100)		
UNI - ASU West - Rollback FY 08 Criminal Justice		0					(1,000,000)	234	
			0						(11,502,400)
UNI - Northern Arizona University	161,560,900								
UNI - NAU - Lump Sum Suspension/Reduction		0					(22,761,000)	236	
UNI - NAU - Salary Lump Sum		0					(11,986,300)		
UNI - NAU - Rollback FY 08 Water Institute		0					(400,000)	237	
UNI - NAU - Rollback FY 08 Health Professions Increase		0					(4,000,000)	238	
			0						(39,147,300)

	Original FY 2009	09 Budget Plan Total	09 Budget Plan Subtotal		10 JLBC Baseline	BL Pg#	10 Options	CO Pg#	10 Options Agy Subtotal
UNI - UA - Main Campus	340,316,600								
UNI - UA Main - Lump Sum Suspension/Reduction		0					(61,359,300)	240	
UNI - UA Main - Salary Lump Sum		0					(25,158,700)		
UNI - UA Main - Rollback FY 08 Water Institute		0					(400,000)	241	
UNI - UA Main - Rollback UA-South Increase		0					(1,200,000)	242	
			0						(88,118,000)
UNI - UA - Health Sciences Center	77,996,600								
UNI - UA - HSC - Lump Sum Suspension/Reduction		0					(11,699,600)	244	
UNI - UA - HSC - Salary Lump Sum		0					(6,917,000)		
UNI - UA - HSC - Rollback FY 08 Telemedicine Increase		0					(1,000,000)	245	
UNI - UA - HSC - Rollback FY 08 Pharmacy Increase		0					(1,500,000)	246	
UNI - UA - HSC - Rollback FY 08 Medical Campus Increase		0					(6,000,000)	247	
			0						(27,116,600)
UNI - Universities - Lump Sum, including 45th day		(141,500,000)							
			(141,500,000)						0

Other Funds

Detailed List of Budget Options by Agency

	Original FY 2009	09 Budget Plan Total	09 Budget Plan Agy Subtotal		10 JLBC Baseline	BL Pg#	10 Options	CO Pg#	10 Options Agy Subtotal
OPERATING SPENDING CHANGES									
UNI - Universities									
UNI - ASU - Main Campus	260,679,000								
UNI - ASU Main - Enrollment Growth					7,198,900				
UNI - ASU Main - Tuition Increase					21,986,900				
			0						0
UNI - ASU - East Campus	29,120,200								
UNI - ASU East - Enrollment Growth					4,801,500				
UNI - ASU East - Tuition Increase					2,287,400				
			0						0
UNI - ASU - West Campus	29,173,200								
UNI - ASU West - Enrollment Growth					3,652,900				
UNI - ASU West - Tuition Increase					2,325,700				
			0						0

	Original FY 2009	09 Budget Plan Total	09 Budget Plan Subtotal		10 JLBC Baseline	BL Pg#	10 Options	CO Pg#	10 Options Agy Subtotal
UNI - Northern Arizona University	52,620,500								
UNI - NAU - Enrollment Growth					6,107,300				
UNI - NAU - Tuition Increase					3,600,000				
			0						0
UNI - UA - Main Campus	153,532,100								
UNI - UA Main - Enrollment Growth					4,045,900				
UNI - UA Main - Tuition Increase					29,880,300				
			0						0
UNI - UA - Health Sciences Center	16,543,500								
UNI - UA - HSC - Enrollment Growth					708,000				
UNI - UA - HSC - Tuition Increase					3,219,700				
			0						0
FUND TRANSFERS									
UNI - Arizona Board of Regents									
UNI - AZ Board of Regents Local Funds FRAT		0					(152,700)	411	
UNI - AZ Board of Regents Local Funds EBT		0					0	411	
			0						(152,700)
UNI - ASU - Main Campus									
UNI - ASU Main - Auxiliary FRAT		0					(18,448,700)	413	
UNI - ASU Main - Auxiliary EBT		0					(6,943,400)	413	
			0						(25,392,100)
UNI - ASU - East Campus									
UNI - ASU East - Auxiliary FRAT		0					(221,600)	415	
UNI - ASU East - Auxiliary EBT		0					0	415	
			0						(221,600)
UNI - ASU - West Campus									
UNI - ASU West - Auxiliary FRAT		0					(182,000)	417	
UNI - ASU West - Auxiliary EBT		0					(142,800)	417	
			0						(324,800)

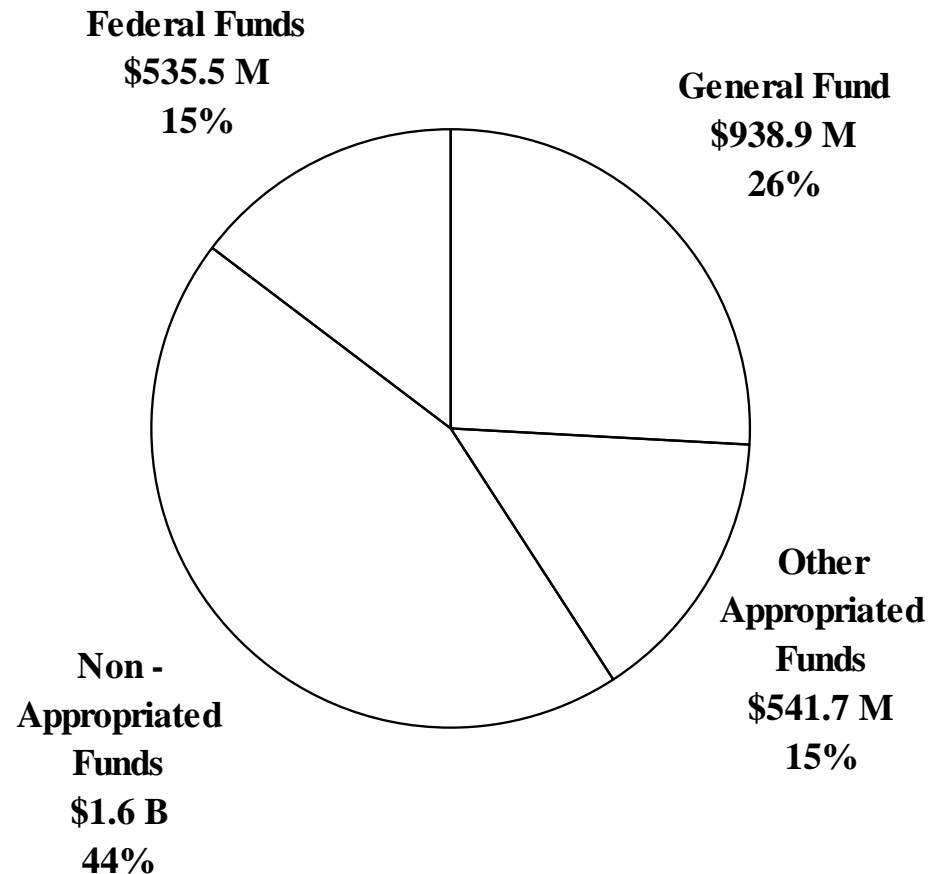
	Original FY 2009	09 Budget Plan Total	09 Budget Plan Subtotal		10 JLBC Baseline	BL Pg#	10 Options	CO Pg#	10 Options Agy Subtotal
UNI - Northern Arizona University									
UNI - NAU - Auxiliary FRAT		0					(4,868,600)	419	
UNI - NAU - Auxiliary EBT		0					(4,725,300)	419	
			0						(9,593,900)
UNI - UA - Main Campus									
UNI - UA Main - Auxiliary FRAT		0					(23,864,900)	421	
UNI - UA Main - Auxiliary EBT		0					(12,766,300)	421	
			0						(36,631,200)
UNI - UA - Health Sciences Center									
UNI - UA - HSC - Auxiliary FRAT		0					(1,284,000)	423	
UNI - UA - HSC - Auxiliary EBT		0					(950,200)	423	
			0						(2,234,200)

APPENDIX

Arizona University System

Revised FY 2009 Estimated Spending

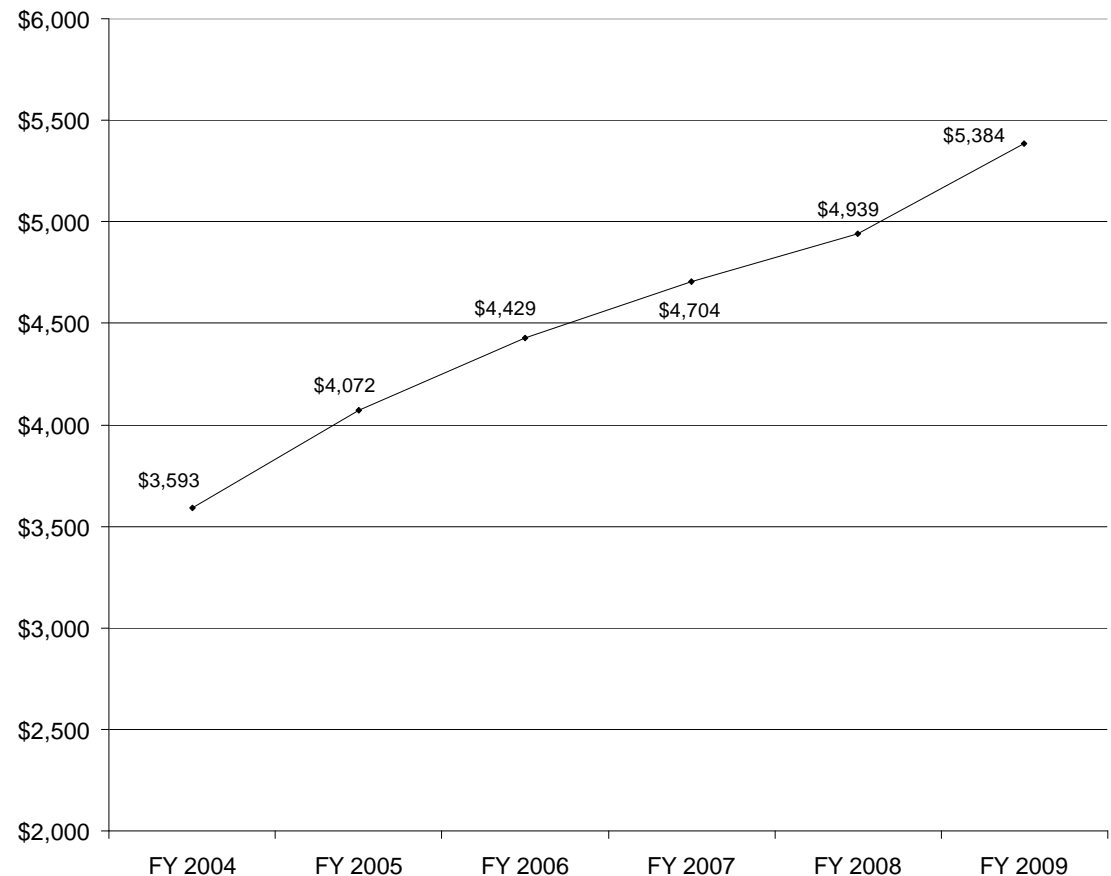
- Other appropriated funds include \$538.1 million in appropriated tuition collections.
- Non-appropriated funds include \$391.4 million in locally retained tuition collections. Revenues also include auxiliary revenues, indirect cost recovery, and non-federal grants.



Arizona University System

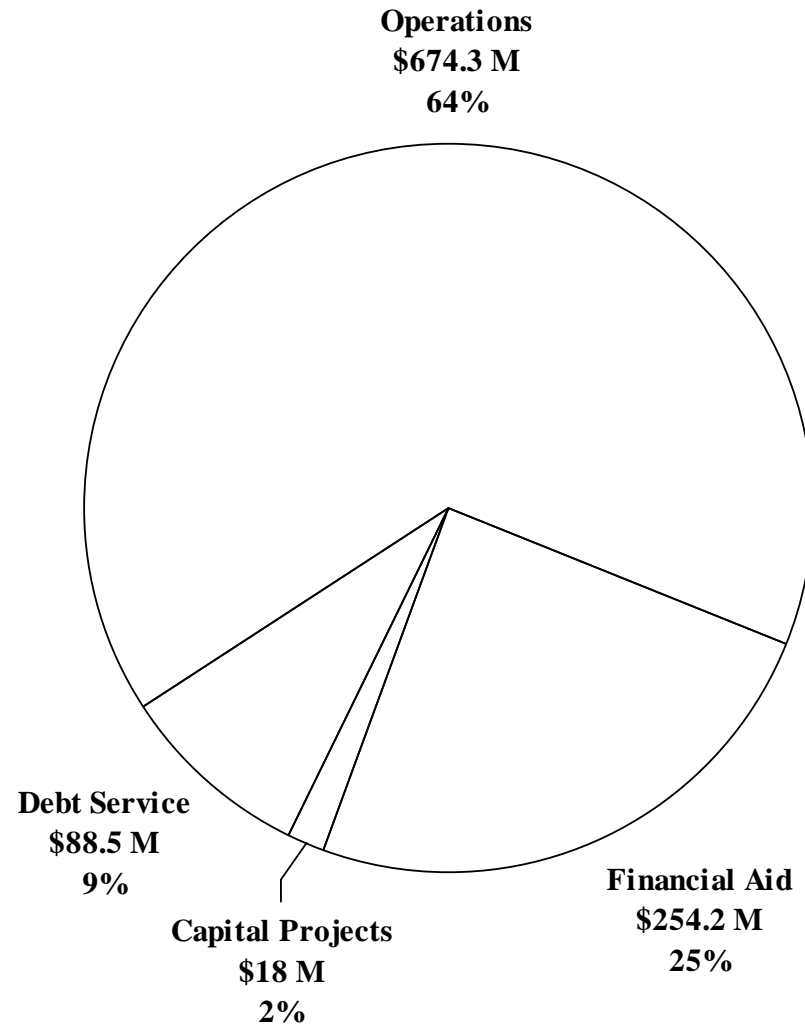
Resident Undergraduate Tuition and Mandatory Fees

- 8.5% average annual increase since FY04
- Continuing Resident Undergraduate Students
 - ASU guarantees maximum annual tuition increases of 5% for up to 5 years.
 - NAU provides fixed tuition with no increases for 4 years.
 - UA intends to begin a guaranteed tuition program in FY 2011.
- FY 10 tuition increases are estimated to generate an additional \$63.3 M.



- All U's charged same resident undergrad tuition until FY 05
- FY 05 through FY 09 amounts represent weighted averages

Total FY 2010 Tuition: \$1.0 billion



- Includes recent \$63.3 million estimated increase
- \$627.9 million of tuition collections is appropriated
- \$407.1 million of tuition collections is non-appropriated

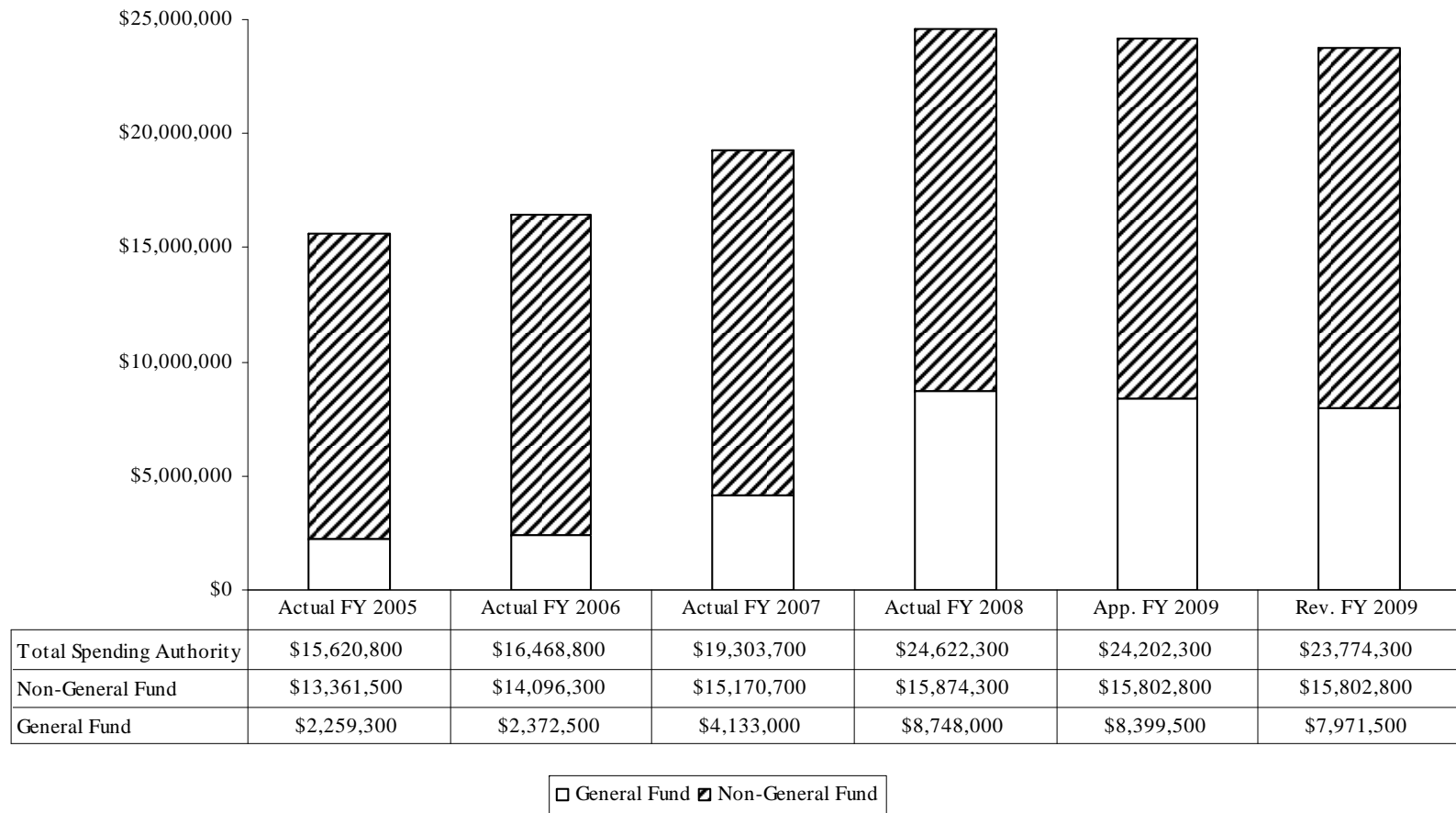
Revised FY 2009 Budget

- ABOR and university system received a combined \$141.5 million lump sum reduction.
- Enrollment counts were adjusted from Fall 21st day to Fall and Spring 45th day.
- University Lottery Bonding
 - As permanent law, \$1.0 billion bonding authority was reduced to \$800.0 million
 - As session law, ABOR was prohibited from authorizing the remaining \$632.3 million of the \$800.0 million in FY 09.

Department of Veterans' Services

- Operates a 200-bed skilled nursing home facility for veterans
- Advocates on behalf of veterans and assists veterans in receiving their federal entitlements
 - Assists veterans in filing claims for federal entitlements
 - Collects and distributes money for the Military Family Relief Fund
 - Acts as guardian or conservator for incapacitated veterans or their family
- Operates the Southern Arizona Veterans' Memorial Cemetery

**Department of Veterans' Services
Total Funds FY 2005 - FY 2009**



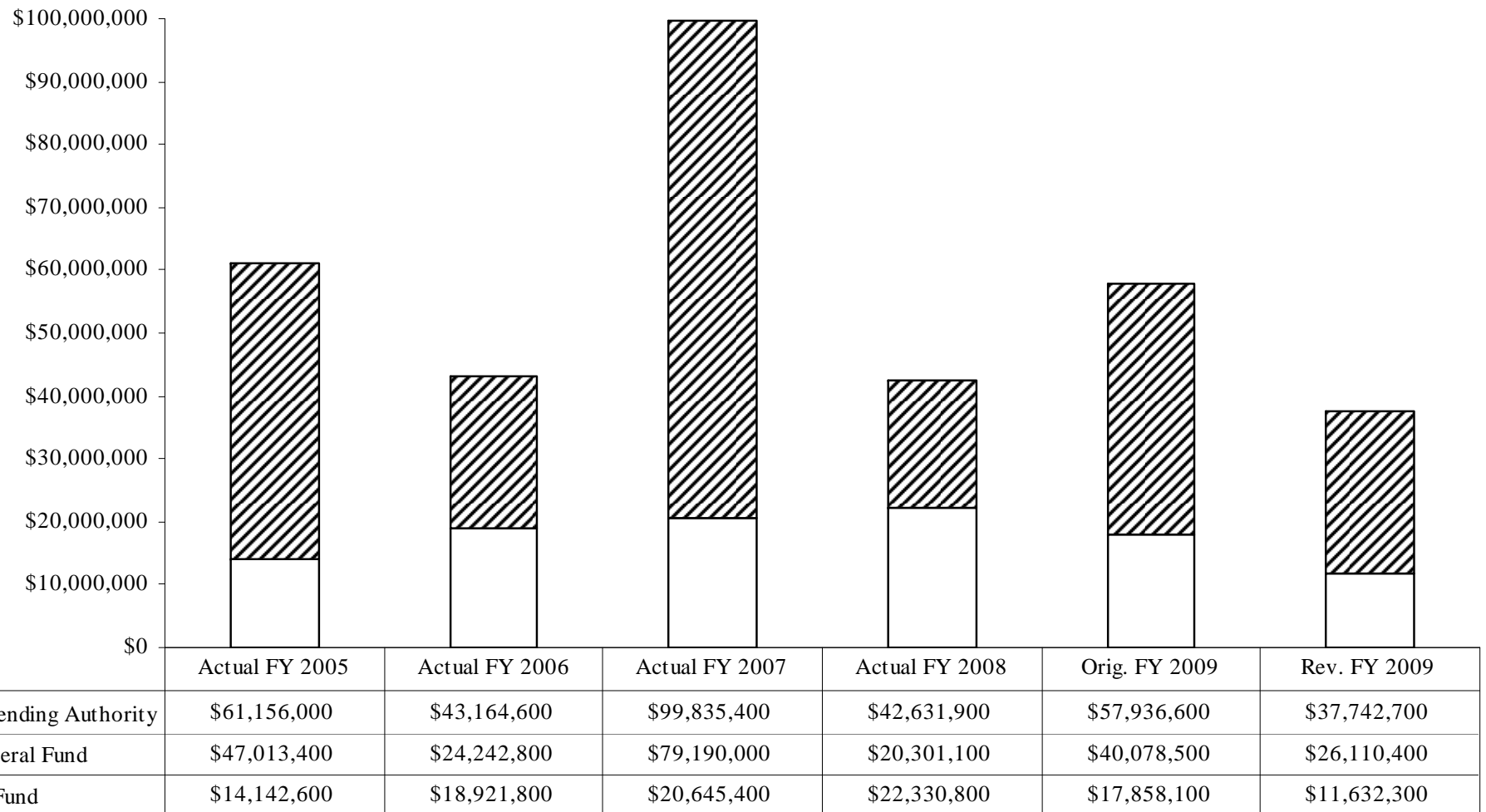
General Fund
Detailed List of Budget Options by Agency

	Original FY 2009	09 Budget Plan	09 Budget Plan Subtotal		10 JLBC Baseline	10 Options	Pg#
OPERATING SPENDING CHANGES							
VSC - Department of Veterans' Services	8,399,500						
VSC - Lump Sum Suspension/Reduction		14,400				(210,000)	249
VSC - Salary Lump Sum		(218,000)				(524,000)	
VSC - Rollback FY 08 Benefit Counselors Increase		(224,400)				(928,400)	250
			(428,000)				
FUND TRANSFERS							
VSC - Department of Veterans' Services							
VSC - Military Installation FRAT		(1,729,100)				0	425
VSC - State Veterans' Cemetery EBT		(243,200)				(121,600)	425
			(1,972,300)				

Arizona Department of Water Resources

- Administers and enforces Arizona's groundwater and surface water rights law
 - Includes all water laws except those related to water quality
- Oversees the use of surface and groundwater resources under state jurisdiction
 - Negotiates with external entities for Arizona's Colorado River water supply
 - Represents Arizona in federal water rights discussions
- Surveys water level and quality
- Plans for flood control

**Department of Water Resources
Total Funds FY 2005 - FY 2009**



□ General Fund ▨ Non-General Fund

General Fund
Detailed List of Budget Options by Agency - Enacted Budget Revision Plan

	Original FY 2009	09 Budget Plan Total	09 Budget Plan Subtotal	10 JLBC Baseline	BL Pg#	10 Options	CO Pg#	10 Options Agy Subtotal
OPERATING SPENDING CHANGES								
WAT - Department of Water Resources	17,858,100							
WAT - Lump Sum Suspension/Reduction		(5,785,800)				(2,678,700)	252	
WAT - Salary Lump Sum		(440,000)				(1,057,600)		
WAT - Shift Cost to Water Banking Fund		0				(3,000,000)	253	
WAT - Rollback FY 08 Rural Water Studies Increase		0				(500,000)	254	
WAT - Rollback FY 08 Adjudication Support Increase		0				(500,000)	255	
			(6,225,800)					(7,736,300)
FUND TRANSFERS								
WAT - Department of Water Resources								
WAT - Arizona Water Banking FRAT		(387,300)				(774,500)	427	
WAT - Arizona Water Banking EBT		(9,196,600)				(6,025,600)	427	
WAT - Arizona Water Protection FRAT		(175,600)				(351,300)	427	
WAT - Arizona Water Protection EBT		(2,022,600)				(1,967,300)	427	
WAT - Arizona Water Quality FRAT		(28,100)				(56,300)	427	
WAT - Arizona Water Quality EBT		(279,300)				(152,600)	427	
WAT - Assured and Adequate Water Supply FRAT		(56,200)				(111,900)	427	
WAT - Augmentation & Conservation Assistance FRAT		(99,800)				(110,500)	427	
WAT - Augmentation & Conservation Assistance EBT		(354,700)				0	427	
WAT - Dam Repair EBT		(645,900)				(378,400)	427	
WAT - Indirect Cost Recovery FRAT		(81,700)				(163,300)	427	
WAT - Indirect Cost Recovery EBT		(600,900)				(205,100)	427	
WAT - Well Administration & Enforcement FRAT		(39,400)				(78,800)	427	
			(13,968,100)					(10,375,600)

Other Funds

Detailed List of Budget Options by Agency

	Original FY 2009	09 Budget Plan Total	09 Budget Plan Agy Subtotal	10 JLBC Baseline	BL Pg#	10 Options	CO Pg#	10 Options Agy Subtotal
OPERATING SPENDING CHANGES								
WAT - Department of Water Resources	8,019,100							
WAT - Shift Cost to Water Banking Fund		3,000,000						
WAT - Arizona Water Banking FRAT		(387,300)				(774,500)		
WAT - Assured and Adequate Water Supply FRAT		(56,200)				(111,900)	439	
			2,556,500					(886,400)